Complaint and Demand for Jury Trial - 1

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- 2. The will of the decedent taxpayer, Thomas J. Gonzales, II (hereafter "decedent taxpayer") was submitted for probate in the Superior Court for the County of Contra Costa on January 29, 2002, a location within the Northern District of California.
- 3. The decedent taxpayer's income tax return for the tax year 2000 used decedent taxpayer's address at 200 Piedmont Lane, Danville, CA 94526, a location within the Northern District of California.
- 4. Defendants are the United States of America, its Department of Treasury, and its agency, the Internal Revenue Service (hereafter "Defendants").
- 5. Defendants issued a statutory Notice of Deficiency, a copy of which is attached hereto as Exhibit B to Exhibit 1, infra (hereafter "Exhibit B"), and incorporated by this reference as though fully set forth herein, on December 6, 2006, to: Thomas J. Gonzales (Deceased), [sic] Thomas J. Gonzales, II, Executor, [sic] 110 Mason Circle, Suite B, Concord, CA 94520-1328, for the aforementioned deceased Taxpayer's 1040 tax years ended December 31, 2000 and December 31, 2001.
- 6. Plaintiff paid \$31,478,202.00 under protest as an illegal assessment to Defendant United States Treasury on or about April 13, 2007, for the tax deficiency and penalty determined by Defendants in their notice of deficiency, by Merrill Lynch Official Check numbered 266963628, dated 4/11/2007, in the amount of \$31,478,002.00, and Personal Money Order drawn on Wells Fargo Bank, numbered 0000111014, and dated 4/13/07, in the amount of \$200.00, both checks totaling \$31,478,202.00. Payment was acknowledged received by the Internal Revenue Service by the assignment of payment DLN: 89217-106-82800-7.
- 7. On or about August 17, 2007, Plaintiff filed timely tax refund claims for overpayment of income tax for tax years 2000 and 2001, sent by certified mail, return receipt requested, copies

incorporated by this reference as though fully set forth herein.

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8. Plaintiff alleges that a substantial part of the events or omissions giving rise to the refund claims occurred in the Northern District of California. Venue is thus appropriately placed in the Northern District of California, pursuant to 28 U.S.C. § 1391.

of which are attached hereto as Exhibit 1. Each and every statement contained in Exhibit 1 is

- 9. Approximately 10 months have elapsed since Plaintiff filed the subject refund claims. Defendant's Internal Revenue Service partially disallowed Plaintiff's refund claims on June 11, 2008,\* a copy of the aforementioned Notices of Disallowance are attached hereto as Exhibits 2 and 3, respectively, and incorporated by this reference as though fully set forth herein. Accordingly, pursuant to 26 U.S.C. §§ 6532, 7422, the conditions precedent to commence this refund action have been satisfied. Therefore, Plaintiff hereby exercises his right under 28 U.S.C. § 2402 and 26 U.S.C. § 7422 to bring this civil action against the United States for the recovery of an internal revenue tax erroneously assessed and collected.
- 10. The District Court for the Northern District of California has jurisdiction pursuant to 26 U.S.C. §§ 7402(a), 7422, and 28 U.S.C. §§ 1346(a)(1).

## II. BACKGROUND

11. As previously alleged, on December 6, 2006, Defendants issued to Plaintiff a statutory Notice of Deficiency that determined an income tax deficiency for the decedent taxpayer of \$26,231,835.00 (exclusive of interest) and a penalty under 26 U.S.C. § 6662(a) of \$5,246,367.00 for the tax year ended December 31, 2000, and an alleged \$2,130,142.00 decrease in the decedent taxpayer's net tax loss for the tax year ended December 31, 2001, due to

<sup>\*</sup> The Notice of Disallowance, represented by Exhibit 2, concedes that the accuracy-related penalty, pursuant to 26 U.S.C. § 6662, for 2000, in the amount of \$5,246,367.00 is inappropriate and therefore conceded by the United States of America. Thus, the amount of \$5,246,367.00, together with interest as allowed by law is to be refunded.

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disallowed itemized deductions and a disallowed deduction for a refund of State Income Tax (actually an exclusion due to no tax benefit having been received at the time the state income tax deduction was claimed).

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- 12. Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, asserted the disallowance of a capital loss in the amount of \$142,002,000.00 for the acquisition and disposition of United States Treasury Bonds and a resulting net capital gain of \$130,931,487.00 for tax year 2000, for the following reasons: (1) "the amount [the decedent taxpayer] realized from the disposition of [his] purported interest in the U.S. Treasury bonds was not less than [the decedent taxpayer's] basis in that interest;" (2) the decedent taxpayer has "not established that [he is] entitled to the loss claimed under the Internal Revenue Code and regulations thereunder, including but not limited to § 165 and § 465;" (3) the decedent taxpayer has "not established that the transfer of [his] purported interest in the U.S. Treasury bonds was a taxable transaction;" (4) "the transactions giving rise to the claimed loss are not respected for federal income tax purposes because they lacked economic substance;" and (5) "the substance of the underlying transactions, as opposed to the form, does not entitle you to the claimed loss." (Exhibit B, first two pages of Form 886-A.)
- 13. Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also required the disallowance of decedent taxpayer's claimed losses in 2000 for "Xing mail, Swing Solutions, and Auto Parts, etc." (Exhibit B, second page of Form 886-A.)
- 14. Further, Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also required the disallowance of decedent taxpayer's claimed 2001 carryover loss, from tax year 2000, in the amount of \$11,070,513. (Exhibit B, second page of Form 886-A.)

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- 15. Additionally, Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also required the disallowance of itemized deductions in the amount of \$452,182 for the tax year ended December 31, 2000, because "[a]n individual whose adjusted gross income exceeds a threshold amount must reduce the amount of allowable itemized deductions by three percent of the excess over the threshold amount." (Exhibit B, second and third pages of Form 886-A.)
- 16. Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also required the disallowance of itemized deductions in the amount of \$1,986,369.00 for the tax year ended December 31, 2001 because the decedent taxpayer "failed to substantiate the claimed \$1,986,369 of miscellaneous expenses." (Exhibit B, second page of Form 886-A.)
- 17. Further, Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also required the disallowance of the deduction (exclusion from income) for State Income Tax of \$143,773 received during the tax year ended December 31, 2001 "due to the adjustments in [that] report." (Exhibit B, third page of Form 886-A.)
- 18. Further, Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, also asserted the inapplicability of the Alternative Minimum Tax of \$78,993 for the tax year ended December 31, 2000 "due to the adjustments in [that] report." (Exhibit B, third page of Form 886-A.)
- 19. Finally, Defendant's position, as stated in the December 6, 2006, Notice of Deficiency, that the accuracy-related penalty of \$5,246,367 should be imposed because "the underpayment of tax required to be showed [sic] on the returns for the taxable year 2000 is attributable to negligence or disregard of rules and regulations and is a substantial

understatement of tax." (Exhibit B, third page of Form 886-A.) The assertion of the aforementioned accuracy-related penalty is now subject to Defendant's concession as stated in Exhibit 2, resulting in an overpayment and refund of \$5,246,367.00, together with interest as allowed by law.

### III. CAUSES OF ACTION

- A. THE SPECIFIC ALLEGATIONS OF THE NOTICE OF DEFICIENCY ARE NOT VALID AGAINST PLAINTIFF
- 20. Plaintiff contests the validity of the Notice of Deficiency and each and every item contained therein proposing to make adjustments to decedent taxpayer's tax benefits and increase his tax liability, in any amount, for his tax year ended December 31, 2000 or decrease his claimed tax losses for 2001, based upon each and every statement contained in Exhibit 1, previously incorporated by reference as though fully set forth herein, and summarized as follows:
- 21. It is error for Defendants to disallow a capital loss in the amount of \$142,002,000.00, or any other amount, for the taxable year 2000, for the following alleged reasons: (1) "the amount [the decedent taxpayer] realized from the disposition of [his] purported interest in the U.S. Treasury bonds was not less than [the decedent taxpayer's] basis in that interest;" (2) the decedent taxpayer has "not established that [he is] entitled to the loss claimed under the Internal Revenue Code and regulations thereunder, including but not limited to § 165 and § 465;" (3) the decedent taxpayer has "not established that the transfer of [his] purported interest in the U.S. Treasury bonds was a taxable transaction;" (4) "the transactions giving rise to the claimed loss are not respected for federal income tax purposes because they lacked economic substance;" and (5) "the substance of the underlying transactions, as opposed to the form, does not entitle you to the claimed loss."

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22. It is error for Defendants to disallow itemized deductions in the amount of \$1,986,369.00, or any other amount, for the taxable year 2000, for any reason.

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- 23. It is error for Defendants to disallow the deduction (exclusion from gross income insofar as decedent taxpayer did not previously receive any tax benefit from the claimed deduction) for State Income Tax Refund of \$143,773, or any other amount, for the taxable year 2000, for any reason.
- 24. It is error for Defendants to not apply the Alternative Minimum Tax of \$78,993, or any other amount, for the taxable year 2000, for any reason.
- 25. It is error, arbitrary and capricious for Defendants to determine and impose an accuracy-related penalty for an alleged substantial underpayment of tax.
- 26. Since the issuance of the Notice of Deficiency, Defendants have acknowledged and conceded that the determination and imposition of an accuracy-related penalty is inappropriate in this case in its partial disallowance of Plaintiff's claim for refund, a copy of which is attached hereto as Exhibit 2 and previously incorporated by reference as though fully set forth herein. Consequently, Plaintiff is due a refund of \$5,246,367.00, together with interest as allowed by law.
- 27. Decedent taxpayer timely filed his individual tax return for the tax years ended December 31, 2000 and December 31, 2001, reporting basis or adjusted basis and amount realized in all assets set forth on their respective tax returns at the correct valuation, supportable by economic substance and reality, pursuant to the relevant provisions of the Internal Revenue Code, Treasury Regulations and Rulings thereunder.
- 28. Decedent taxpayer did not understate his individual tax liability for the tax years ended December 31, 2000 and December 31, 2001.

29. Decedent taxpayer, in filing his individual tax return for the tax years ended
December 31, 2000 and December 31, 2001, made every reasonable attempt to comply with the
provisions of the Internal Revenue Code, and applicable Treasury Regulations and Rulings.
Decedent taxpayer did not disregard in any manner any of the provisions of the Internal Revenue
Code, nor any applicable Treasury Regulations or Rulings.

- 30. Decedent taxpayer, in filing his individual tax return for the tax years ended December 31, 2000 and December 31, 2001, did not understate his individual tax liability, and instead reported and adequately disclosed all items on his income tax return pursuant to substantial authority, reasonably believing that the positions taken on his tax return were more likely than not the correct treatment of the transactions. Further, decedent taxpayer's adequate disclosure of all items was based on a reasonable basis consistent with substantial authority and pursuant to relevant provisions of the Internal Revenue Code, and applicable Treasury Regulations and Rulings.
- 31. It is an error for Defendants to determine a deficiency against decedent taxpayer's estate for the taxable year 2000 in the amount of \$26,231,835.00, or any other amount.
  - B. DECEDENT TAXPAYER'S AMOUNT REALIZED FROM THE DISPOSITION OF HIS INTEREST IN THE UNITED STATES TREASURY BONDS WAS \$142,002,000 LESS THAN HIS BASIS IN THAT INTEREST
- 32. Pursuant to 26 U.S.C. § 1273(b)(3)(B) and Treasury Regulation § 1.1012-1(g)(1), Decedent taxpayer's basis in the United States Treasury Bonds equaled the fair market value of the subject Treasury Bonds.
- 33. The fair market value of the subject United States Treasury Bonds on December 8, 2000, at the time decedent taxpayer purchased the bonds was approximately \$372,000,000.

- 34. Pursuant to 26 U.S.C. §1001, *Crane v. Commissioner*, 331 U.S. 1 (1947), and other relevant statutory and case law, decedent taxpayer's amount realized from his disposition of the Treasury Bonds equaled the sum of the value of the Preferred Stock received and the face amount of the Note.
  - C. DECEDENT TAXPAYER IS ENTITLED TO THE TAX YEAR 2000 SHORT TERM CAPITAL LOSS CLAIMED ON HIS 2000 PERSONAL INCOME TAX RETURN UNDER THE INTERNAL REVENUE CODE AND THE TREASURY REGULATIONS PROMULGATED THEREUNDER
- 35. The Internal Revenue Service, as provided by Exhibit B, line item 1.a. on Form 4549A-Capital Gain or Loss, disallowed decent taxpayer's claimed capital loss in the amount of \$142,002,000. This disallowance resulted in an alleged net capital gain in the amount of \$130,928,478, rather than the net capital loss of (\$3,000) claimed on the taxpayer's Form 1040 for the 2000 tax year. In support of his position that \$31,478,202.00, or such other amount as may be appropriate, together with interest as allowed by law, should be refunded, the aforementioned taxpayer submits that he is entitled to the claimed loss of \$142,002,000, resulting from the acquisition and disposition of U.S. Treasury Bonds and other related financial instruments. The justification for the decedent taxpayer's entitlement to such tax treatment are as follows:
- 36. The facts, circumstances and law support the claimed loss, since the amount realized pursuant to 26 U.S.C. § 1001, Treasury Regulation, § 1.1001-2(a), and relevant case law, was less than the taxpayer's actual basis, including the relief of liabilities, as recognized in fact, at law, and in equity, all in accordance with existing law, regulations, rulings, judicial and other authority.
- 37. The taxpayer entered into a for profit transaction wherein he acquired U.S. Treasury Bonds, which paid interest at an above-market rate. In exchange for the U.S. Treasury Bonds,

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the taxpayer issued a note with a face amount that was essentially equal to the face amount of the Treasury Bonds, and which paid a nearly identical interest rate to the rate paid by the Bonds. Accordingly, because the fair market value of the bonds was greater than the face amount of the bond, the note was issued at a premium.

- 38. Pursuant to 26 U.S.C. § 1273(b)(3) and the relevant Treasury Regulations, the issue price of debt issued for property that trades on a market, like Treasury Bonds, is the fair market value of the property (Treasury Bonds in this case). Under Treasury Regulation, § 1.1012-1(g)(1), the basis of the Treasury Bonds acquired by the taxpayer was equal to the issue price of the debt issued by the taxpayer - in other words, the Treasury Bonds had a basis to the Taxpayer equal to the fair market value of the Treasury Bonds at the time acquired. The Internal Revenue Service did not challenge this fact in its Notice of Deficiency (Exhibit B).
- 39. When the taxpayer transferred the Treasury Bonds, the debt owed by the taxpayer was assumed by the buyer of the Treasury Bonds. In accordance with applicable case law, regulations and rulings, the taxpayer included in his amount realized from the sale of the Treasury Bonds, the face of amount of the Note (See, e.g., Crane v. Commissioner, supra, 331 U.S. 1 (1947)). The Internal Revenue Service determined in the Notice of Deficiency that 26 U.S.C. § 1273(b)(3) and Treasury Regulation, § 1.1275-1(b) required that the amount realized include the adjusted issue price of the debt in question, not the face amount of the debt. In fact, however, 26 U.S.C. § 1273(b)(3) is silent regarding the amount realized from the transfer of property. Similarly, Treasury Regulation, § 1.1275-1(b) is silent regarding the amount realized from the transfer of property. Thus, there is no requirement that the amount realized include the adjusted issue price of the debt, rather than the face amount of the debt. Consequently, the position of Defendant's Internal Revenue Service is erroneous, arbitrary, capricious and contrary

to the law. Further, the position of the Internal Revenue Service as stated in Exhibit B is unjustified and indefensible.

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- 40. As a result, Taxpayer realized a loss in the amount claimed, upon disposition of the Taxpayer's interest in the subject United States Treasury Bonds and other related financial instruments because the amount realized was \$142,002,000 less than Taxpayer's basis in the subject United States Treasury Bonds.
- 41. Taxpayer is entitled to the claimed loss of \$142,002,000, in general, pursuant to the relevant Internal Revenue Code provisions, regulations, rulings and other authority; including the provisions of 26 U.S.C. § 165, and the provisions of 26 U.S.C. § 465.

### C. THE SUBJECT TRANSACTIONS WERE TAXABLE EVENTS

- 42. The subject transactions relating to the transfer of taxpayer's interest in the United States Treasury Bonds and other related financial instruments are taxable transactions, pursuant to the relevant provisions of the Internal Revenue Code, regulations, rulings, case and other authority thereunder.
- 43. The Preferred Stock in Bayside Diversification Fund received by decedent taxpayer in exchange for the United States Treasury Bonds and accompanying note constituted Nonqualified Preferred Stock under 26 U.S.C. § 351. Therefore, the transfer of the Treasury Bonds to Bayside in exchange for the Preferred Stock constituted a taxable event.

### D. THE SUBJECT TRANSACTIONS HAD ECONOMIC SUBSTANCE

44. The taxpayer entered into a for profit transaction wherein he acquired U.S. Treasury Bonds, which paid interest at an above-market rate. In exchange for the U.S. Treasury Bonds, the taxpayer issued a note whose face amount was essentially equal to the face amount of the Treasury Bonds, and which paid a nearly identical interest rate to the rate paid by the Bonds.

bonds, the note was issued at a premium.

45. Taxpayer entered into the subject transactions with a profit motive involving transactions having economic substance, which transactions were at risk to market conditions.

Accordingly, because the fair market value of the bonds was greater than the face amount of the

- 46. The form of the subject transactions is consistent with their substance; and the subject transactions, in form and substance, were subject to economic risk of profit and loss, depending upon the market movement of interest rates, resulting in substantive economic consequences, as a matter of fact and law.
- 47. Taxpayer, as a matter of fact and law, is entitled to the claimed losses for Xing mail, Swing Solutions, and Auto Parts, etc., all of which have or can be established in compliance with the relevant provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder.
- 48. Taxpayer is entitled to the claimed 2001 carryover loss, from tax year 2000, in the amount of \$11,070,513, or any other amount, as a matter of fact and law. The aforementioned \$11,070,513 adjustment is arbitrary, capricious and erroneous as a matter of fact and law and should be reversed, and taxpayer should be allowed the \$11,070,513 carryover loss claimed on the 2001 tax return.
- 49. The adjustments made by the Internal Revenue Service with respect to taxpayer's itemized deductions for tax years 2000 and 2001, as described above, are arbitrary, capricious and erroneous, as taxpayer has or can substantiate all deductions as being in accordance with the relevant provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder. Further, regarding tax year 2001, taxpayer has or can substantiate the claimed \$1,986,369 of miscellaneous expenses as being deductible in accordance with the relevant

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provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder.

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- Taxpayer acknowledges the three percent limitation provided by the Internal 50. Revenue Code, 26 U.S.C. § 68, but states that the 2000 and 2001 thresholds have been satisfied, and are not operative if the adjustments proposed in Exhibit B are not valid.
- 51. The deduction claimed for State Income Tax Refund on Taxpayer's 2001 tax return is applicable and allowable as claimed, since the proposed adjustments contained in Exhibit B are arbitrary, capricious, erroneous, null and void. Further, the reduction or exclusion of the \$143,773 State Income Tax Refund is appropriate, as no tax benefit had been received from claiming state tax payments as a deduction at the time of payment. Consequently, the aforementioned refund is properly excluded from 2001 taxable income, as there had been no prior tax benefit during the tax year of payment and claimed deduction.
- 52. Taxpayer states that the Form 1040 for tax year 2000 is correct as filed. The proposed adjustments contained in Exhibit B are arbitrary, capricious, erroneous, null and void. Consequently, the Alternative Minimum Tax of \$78,993 as reported for 2000 is correct.
- 53. Taxpayer entered into the subject United States Treasury Bond transactions in good faith, with a bona fide profit motive, pursuant to the advice and reliance upon qualified professional advisors and counselors. Taxpayer believed in good faith that the transactions complied with all laws, never intending in any manner to disregard the professional advice of his advisors and counselors, nor in any manner to disobey the law, or violate a known legal duty.

WHEREFORE, Plaintiff prays relief that this Court Order and Adjudge as follows:

1. Defendant's Internal Revenue Service be ordered and adjudged to rescind the subject Notice of Deficiency (Exhibit B), pursuant to 26 U.S.C. § 6212(d).

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2. The subject Notice of Deficiency (Exhibit B) be ordered and adjudged invalid, null and void.

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- 3. Plaintiff be refunded \$26,231,835.00, plus interest, or any other amount as allowed by law, for tax, assessed interest, and penalties, together with interest as allowed by law.
- 4. Defendant be Ordered, if not previously refunded, to refund the amount of \$5,246,367.00, together with interest as allowed by law, representing the value of the accuracy-related penalty (26 U.S.C. § 6662) for the 2000 tax year conceded by Defendant's Internal Revenue Service in its Notice of Partial Disallowance dated June 11, 2008, represented by Exhibit 2.
- 5. Defendant's Internal Revenue Service be ordered, adjudged, enjoined, restrained and prohibited from taking any assessment, collection or other action directly or indirectly derived from, or based on the proposed adjustments contained in the subject Notice of Deficiency (Exhibit B).
- 6. Plaintiff is entitled to recover costs, attorneys' fees and such other and further relief as may be appropriate.

### IV. DEMAND FOR TRIAL BY JURY

Pursuant to Rule 38, Federal Rules of Civil Procedure, Plaintiff requests trial by jury.

Respectfully submitted,

Dated: 30 June 2008

MARTIN A. SCHAINBAUM A Professional Law Corporation

MARTIN A SCHAMBALIM

# Exhibit 1

WWW.TAXWARRIOR.COM

MARTIN A. SCHAINBAUM

A PROFESSIONAL LAW CORPORATION

351 CALIFORNIA STREET, SUITE 800

SAN FRANCISCO, CA 94104-2406

TELEPHONE (415) 777-1040

FACSIMILE (415) 981-1065

August 17, 2007

# CERTIFIED MAIL, RETURN RECEIPT REQUESTED Certified Mail No. 7007 0220 0003 1855 4435

Internal Revenue Service Fresno Service Center Fresno, CA 93888

Re:

Thomas J. Gonzales II (Deceased) Tom Gonzales, Executor/Trustee 134 Lake Boulevard Dayton, NV 89403 TIN: 545-13-6755

### **ENCLOSED REFUND CLAIMS:**

### I. TAX YEAR 200012

Form 1040

Refund Requested: \$31,478,202, or such other amount as may be appropriate, together with interest as allowed by law

### II. TAX YEAR 200112

Form 1040

Refund Requested Based on Net Operating Loss Carryback to 199612 and Carryforward to 199712, 199812, 199912, and 200012

To Whom It May Concern:

Enclosed please find refund claims on behalf of Taxpayer Thomas J. Gonzales, II (deceased) for the tax years 2000 and 2001.

### The 2000 Refund Claim

The enclosed refund claim for the tax year 2000 consists of Form 1040X, an attached Refund Claim document, and Exhibits A-1 through D-2, inclusive. This refund claim requests a refund in the amount of \$31,478,202.00, or such other amount as may be appropriate, together with interest as allowed by law, based upon the payment of this amount made to the Internal Revenue Service on or about April 13, 2007. Payment was acknowledged received by the Internal Revenue Service by the assignment of payment DLN: 89217-106-82-800-7.

Internal Revenue Service

Re: Thomas J. Gonzales, II (deceased)

TIN: 545-13-6755 August 17, 2007, Page 2 of 3

## The 2001 Net Operating Loss Carryback Refund Claim

The enclosed refund claim for tax year 2001 is based on a net operating loss arising in 200112, carried back to 199612, and carried forward to 199712, 199812, 199912, and 200012. The enclosed refund claim consists of the following:

- 1. Amended federal individual income tax return (Form 1040X) for 1998, reflecting the carryback and carryforward of the 2001 net operating loss. Refund requested is \$13,624, or such other amount as may be appropriate, together with interest as allowed by law.
- 2. Amended federal individual income tax return (Form 1040X) for 1999, reflecting the carryback and carryforward of the 2001 net operating loss. Refund requested is \$60,596, or such other amount as may be approximate, together with interest as allowed by law.
- 3. Amended federal individual income tax return (Form 1040X) for 2000, reflecting the carryback and carryforward of the 2001 net operating loss. In addition to the \$31,478,202.00 refund request described above, Taxpayer requests an additional refund of \$166,198, or such other amount as may be appropriate, together with interest as allowed by law, based on the 2001 net operating loss carryback and carryforward to 2000.

It is believed that the carryback of the 2001 net operating loss is to be carried back pursuant to a five-year carryback, i.e., first to 1996, then carried forward to each succeeding year until absorbed. At present, the Taxpayer is not in possession of the 1996 and 1997 individual tax returns, and no Forms 1040X are enclosed for these years. However, based on information provided by the Taxpayer's certified public accountant, it is believed that the net operating loss for 2001 is sufficient in amount to offset all taxable income reported during the entire period encompassing the 1996 through 2000 tax years. Thus, the carryback calculations and Forms 1040X for 1996 and 1997 will be determined and provided during the refund examination process.

Please acknowledge receipt of this letter and the enclosed items by affixing to the enclosed copy of this letter the Service's date received stamp, and returning the duly acknowledged copy of this letter in the enclosed postage paid envelope.

Internal Revenue Service

Re: Thomas J. Gonzales, II (deceased)

TIN: 545-13-6755 August 17, 2007, Page 3 of 3

Thank you for your courtesy and cooperation in this matter.

Sincerely,

MARTIN A. SCHAINBAUM A Professional Law Corporation

MARTIN A SCHAINBALIM

cc: Tom Gonzales, c/o George Reinhardt

Steve Smith, CPA

Phone no.

DATED

(925)

299-1040 Form 1040X (Rev. 11-2000)

REFUNDCLAM

ECEFSED (THOMAS J. GONZALES) 12/04/01 ment of the Treasury - Internal Revenue Service Amended U.S. Individual Income Tax Return (Rev. November 2000) This return is for calendar year > ▶ See separate instructions. 2000 OMB No. 1545-0091 Your first name and initial or fiscal year ended ▶ THOMAS J. GONZALES Last name If a joint rotum, spouse's first name and initial H Your social security number Last name Home address (no) and street) or P.O. box if mail is not delivered to your home 545-13-6755 Spouse's social security number 134 LAKES BLVD City, town or post cluce, state, and ZIP code. If you have a foreign address, see page 2 of the instructions. Apt. no. Phone number If the name or address shown above is different from that shown on the original return, check here 925 941-6014 Has the original return been changed or audited by the IRS or have you been notified that it will be? For Paperwork Reduction Act R Notice, see page 6. Filing status. Be sure to complete this line. Note: You cannot change from joint to separate returns after the due date. ..... 🛮 Yes Single Married filling separate return Ø No Mamed filling joint return If the qualifying person is a child but not your dependent, see page 2. Head of household Married filling separate return Oualifying widow(er) Head of household . . Qualifying widow(er) Use Part II on the Back to Explain any Changes A. Original amount Income and Deductions (see pages 2-6) B. Net change . as previously Adjusted gross income (see page 3) ..... 1 amount of increase adjusted C. Correct or (decrease) Itemized deductions or standard deduction (see page 3) (see page 2) explain in Part II 131,550,410 Subtract line 2 from line 1 ..... -130931487 2 Exemptions. If changing, fill in Parts I and II on the back ...... 9,097 618,923 452,182 131,541,313 3 Taxable income. Subtract line 4 from line 3 461,279 -131383669 4 Tax (see page 4). Method used in col. C TAX RATE SCH. 6 157,644 131,541,313 5 Credits (see page 4) -131383669 Subtract line 7 from line 6. Enter the result but not less than zero ..... 6 26,406,046 157,644 8 26,231,835 7 Other taxes (see page 4) ...... 174,211 9 8 26,406,046 Total tax. Add lines 8 and 9 -26,231 ,835 9 Federal income tax withheld and excess social security and RRTA 174,211 10 26,406,046 tax withheld. If changing, see page 5 -26,231 Estimated tax payments, including amt applied from prior year's return ... 174,211 11 13 57,307 Additional child tax credit from Form 8812 12 <u>5</u>7,307 Credits from Form 2439 or Form 4136 ..... 13 Amount paid with request for extension of time to file (see page 5) 14 Amount of tax paid with original return plus additional tax paid after it was filed Total payments. Add lines 11 through 17 in column C ..... 16 846,000 Overpayment, if any, as shown on original return or as previously adjusted by the IRS 17 ,478,202 19 Subtract line 19 from line 18 (see page 5) 18 32,381,509 20 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 5 ... 21 If line 10, column C, is less than line 20, enter the difference ...... 19 729,096 20 31 652,413 21 Amount of line 22 you want applied to your Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to me best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge. 22 31,478,202 Sign 31, 478,202 Here Joint return? See page 2 Keep a copy for your records. Your signature 8-10-07 Preparer's Spouse's signature, if a joint return, bortboth must sign. Pald signature STEVEN P Date SMITH Preparer's Firm', I ame COMYNS, Preparer's SSN or PTIN Use Only Check it SMITH, self-or picyeu), address, and MCCLEARY & DEAV self-employed 3470 MT. 573-90-7124 DIABLO BLVD. #A110 EIN LAFAYETTE 68-0307221

TO REFLECT

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i	lf c	ou are not cl	hanging your exemp	J. GONZALES  040 or 1040A instructions.  tions, do not complete this			T				54	5-13-675
25		CRIMIN IGME	r exemptions, comple	ato lines on as				A. Original re examptions re as previously a		d E	3. Net change	C. Correct number of
,	Cautic	on and spous	Se	9) can alsies			<u> </u>					exemption
	(even i	if they chose	rents (or someone els	e) can claim you as a depe	andont	25	<u> </u>					
26	YOUR O	ependent chi	Idron when	an exemption for yours	elf.							
27	Your de	ependent chil	Idron who are	ou		26						
28	Other d	ependents .	the did not live	with you due to divorce/set	paration	27						1
29	iotal nu	Imber of eyes	motions	*****************		28						
30	MUITIDIV	the number.	al	4110ugri 20		29				<del></del>		
	COLOM IC	or the tax yea	r you are amending. E	on line 29 by the amount inter the result here and or	listed							
		Tax	Exemption	But see the instruct	ions for							1
		<u>year</u> 2000	amount	line 4 on page 3 amount on line 1 is	if the							
		1999 1998	\$2,800 2,750	\$96,700	over:					1		
_		1997	2,700 2,650	94,975 93,400	1							
11 [	epende	Dia (child		90,900	- 1	30						
N	lote: For	tax years af	and other) not claimed	l on original (or adjusted) r lete column (e) below. For	eturo:	30						
C	olumn (d	) below.	or, do not comp	lete column (e) below. For	tax year 1	1997. d	lo no	Complete				
								. combiete			No. of your chil	dena
(	) First Nan	ne Las	t Name	(b) Dependent's social security number	(c) De	nebneq	'8	(d) Check		T	line 31 who:	dien on
					relations	hip to yo	ou	qualifying ch for child ta	hild	(e) No. of months lived	1	Γ
					+			credit (see par	ıx 9●5)	in your home	lived with you	' · · · · ▶ [
											1	
					<del> </del>						did not live wi you due to div	th om=
					<del> </del>		-				or separation (see page 5)	
					<del> </del>						(=== page 3)	
62 88 <b>4</b>							$\dashv$		-			
art		xplanatio	n of Changes to				+		$\dashv$		Dependants	
art	En	xplanation ter the line e supporting	n of Changes to	Income, Deduction	is, and	Cred	lits				Dependents on not entered abo	
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A DACE		D: ]	THOMAS	J. GONZ	CALES 12	2/04/05									
, OR	1040		J.S. Indi	vidual In	come Ta	∞ X Return	· 20	00							
Labe	1 1		For the year Jan Your first name	1 - Dec 21 2000	), or other lax year	beginning			(99) IRS Us	Only	Do not wei	10 or at-	ple in this space		
(See instruction							10	et name	, 2000, ending			20			
on page		À	If a joint return.	S J. GO	NZALES			er raine					our social secur	No. 154	45-0074
Use the I	ns	BEL	*	-booge 2 IIIZI USM	e and initial		Las	st name				-	545-13	\ _ 6 °	75 F
label. Otherwise	,		Home address (	number and street	1 H von	), box, see page 19.		_				Si	couse's social s	ecuity (	/ 3 5 Number
please pri or type.	nt														
	- 1	-	Only, town or pos	t office, state, and	ZIP code Wyour	ave a foreign address				Apt. i	10.		IMPO	RTA	AITI
Preside	ntial											_	You m	list on	ntor
Election (See page	T Camp	paign	Note, Chec	kina "Yes" wi	Dot ob	our tax or reduce							your SSN	l(s) at	XVe.
			Do you, or	your spouse if	filling a joint re	our tax or reduce turn, want \$3 to	your re	efund.							
Filing	Status	1	X Sir	ngle	3 - 10 11 12	turn, want \$3 to	go to thi	is fund?	<u> </u>				You		ouse
3		8 2 3	1416	ırried filing join	t return (even	if only one had in							Yes 🛭 No	v	es 🗌 No
Check only		4	Ma	rried filing sep	arate return. E	nter spouse's se	come)		ove & full name her						
one bax.		•	He	ad of househo	ld (with qualify	ing person). (Sa	K. 50C.	no. abo	ove & full name her	е 🅨					
-		5		er and cullast	Jame hore			· • · / / / u	ove & full name her he qualifying perso	n is a	child but	not vo	ar depends		
<b>-</b>		6 <b>a</b>	Yours	allying widow	er) with depen	dent child (year	SDOUSA	died				,	os goberine	it,	
Exempt	ions			return, d	arent (or some	one else) can cla	im you	as a de	<ul> <li>). (Seeppendent on his or</li> </ul>	e pag	e 19.)				
		b	Spous	e ,	NOT CHECK DO	ox 6a	• • • • • •		pendent on his or	her ta	×				
		С	Dependen	ls:	******	······			******	• • • • •	• • • • • • •	•	No. of boxes	ı	
			(1) First Name	Last		(2) Dependent	6 Social		(3) Dependent's	14	) Chk if qu	-00.	68 and 6b		1
						security num	ber		relationship to you	10	nild for chi	of tou	No. of your children on	_	
Il more than sit dependents.	<b>x</b> .					<u> </u>				- "	edit (see p	ege 20)	oc wno:		
see page 20.	,					<del> </del>		-		$\neg \vdash$			lived with y		
	-					l		+		1			did not live you due to div	with 'orce	
								+					or separation (see page 20)		
								+					Dependents		
		<u>d</u> .	Total number	Of averantics				ــــــــــــــــــــــــــــــــــــــ					on 6c not entered above		
Income		7 V	Wages, salari	es, tips etc. A	teah 5	<u> </u>	<u></u>						Add numbers		
			IIIGI	BSL ARBON CA						· · · · ·	·····	·	entered on lines above		17
Attach			ACC CACILIDE	IIIAIASI Da ma							7		207,	545	T
Forms W-2 and W-2G here.		-	ou id; y GIVICI	ADUG THUSE	1 - 1			80 )		1	8a		720,2	233	
Also attach		10 T. 11 A!	axable refund	is, credits, or o	offsets of state	and local incom	• • • • • •		age 22)	<u>-</u> -	9		700 -		
Form 1099-F1 if tax was withhold.				eu .		•		(see b)	age 22)		10		708,5	09	
	1:										11		3,9	31	
	14						Ruired	choole			12			+	
	15	a To	tal IRA distrit	outions	bcnedule D if i		, , , , , , ,			• • • •	13		-3,0	00+	
	16	0 101	idi pensions a	and annuition			11	b Tav	able amount (see p		14				
If you did not get a W-2,	17	Het	ntal real estat	e rovaltice -	168		, , ,	D IAYS	able amount		156			-	
500 page 21.	18	Fan	m income or	(loss). Attach	Schedule E	corporations, tru	sts, etc.	Attach	Schedule E	1. 23)	16b				
Enclose, but do not attach any payment.	19		- Freshines II C	UITIDADCATION	our leading F	• • • • • • • • • • • • •			***********	}	17		919,01	.6	
Also, please use Form 1040-V.	20a 21		- COCHINY DE	enenis i	20-1					Г	18				
	22	Othe	arincome. S	EE CTAR	EMENT 2	?	b	Taxa	ble amount (see pg.	25)	20b				
	23		an Curis	in the for right			772			- T	21		00 05		
Adjusted	24	Stude	ention (se	e page 27) .		es 7 through 21.	Inis is	your to	tal income		22		-99,27 518,92	쒸_	
Gross	25	Medic	cal savinos s	est deduction	(see page 27)	• • • • • • • • • • • • • • • • • • • •	23				31		10,92	3	
Income	26	Movin	ig expenser	Attack =	ion. Attach For	m 8853	25	<del> </del>		$\Box$					
	27	One-h	alf of self-em	ployment to	903		26				á-l			1	
	28	Self-ei	mployed hea	Ith incurence	Allach Sched	ule SE	27				-			1	
	29	Self-er	mployed SEF	SIMPLE	duction (see	page 29)	28								
	30	Penalt	y on early wit	hdrawal of sa	udanned plar Vings	os	29			$\dashv$	:				
V.V				cipient's SSN	<b>&gt;</b>	``'''	30			$\dashv$	:			1	
	32 /	MOD line	DC 22 Have				24-1	-		1	1				

32 ▶ 33

618,923

FOIL	# 1040 (2000) THOMAS J. GONZALES				
' lax	and Amount from line 33 (adher)				
Cre	dits  35a Check if:  You were 65 or older,  Blind;  Spouse was 65 and 55		54	5-13-6755	Pan
	Add the number of boxes checked above and enter the total bars.	· · <del>/ · · ·</del>	34	618,92	) <del>3</del>
Sta	indard D II VOU are married title	- 1			-
Dec	b If you are married filing separately and your spouse itemizes deductions, or you were  a dual-status alien, see page 31 and check here  Shown on the left. But see page 31 to fischedule A, line 28, or standard deductions.	<u> </u>	J		
Pec	Most Jack Shown on the left. But see page 31 and check here shown on the left. But see page 31 to find your standard deduction any box on line 35a or 35b or 15 page 10 to find your standard deduction the left. But see page 31 to find your standard deduction the left. But see page 31 to find your standard deduction the left. But see page 31 to find your standard deduction the left. But see page 31 and check here				- 1
Sing	shown on the left. But see page 31 to find you all find your 28, or standard deduction	U			
\$4,4 Hea	shown on the left. But see page 31 to find your standard deduction any box on line 35a or 35b or if someone can claim you as a dependent.  37 Subtract line 36 from line 3.				
hous			36	461,27	_
\$6,4	If line 3d is guest too mess, multiply \$2,800 by the total number of		37	157,644	=
jointl	39 Taxable income. Subtract line and a specific part of the amount of th	Ī		237,042	<u> </u>
Quali	If line 34 is over \$96,700 or less, multiply \$2,800 by the total number of exemptions claimed on line 6d.  If line 34 is over \$96,700, see the worksheet on page 32 for the amount to enter thin line 38 is more than line 37, enter-op 38 from line 37.  Tax (see page 32) (or the amount to enter than line 37 enter-op 38 from line 37.  Tax (see page 32) (or the amount to enter than line 37).		38	-	$\cdot$
\$7,35			39	157,644	
Marri		[	40		
separ	1	[	41	44,803	
\$3,67	J. H. WINDER HOLD FORM 1440 W	•	42	129,408	4_
	The state of the s	T		174,211	
	45 Credit for the elderly or the disabled. Attach Schedule R				
	46 Education credits. Attach Form 8863	1			1
	47 Child tax credit (see page 36)	7 1			
	48 Adoption credit. Attach Form 8839 47  49 Other. Check if from a Form 2800 48	110			
		7-1	<b>#</b> 1	I	1
	C 1 rom 8801		<b>*</b>		ĺ
		1 🛭			į.
Other	50 Add lines 43 through 49. These are your total credits.  51 Subtract line 50 from line 42. If line 50 is more than line 42, enter .0.	. 5	0		
	The state of the s			174	
Taxes	54 Tay on IRAs att	52		174,211	
		. 55			
Phen		56			
		57		174,211	
gualitying	59 2000 estimated tax payments and amount applied from 1999 return . 59 57,307		1	1/4/511	
child, altach Schedule EIC	60a Earned income credit (EIC)			1	
EIC	b Nontaxable earned income: amt. ▶ 60a		3		
	61 Excess excite				
	61 Excess social security and RRTA tax withheld (see page 50) 61		1	1	
	62 Additional child tax credit. Attach Form 8812		1		
	63 Amount paid with request for extension to file (see page 50)	78	1		
	64 Other payments. Check if from a Form 2439 b Form 4136 . 64	7.8	1		
Refund	66 If line 65 is possible and 61 through 64. These are your total payment				
Have It	65 Add lines 58, 59, 60a, and 61 through 64. These are your total payments.  66 If line 65 is more than line 57, subtract line 57 from line 65. This is the amount you overpaid	65		903,307	
directly deposited!	67a Amount of line 66 you want refunded to you.	66		729,096	-
See page 50 and fill in 67b,	b Routing number	67a		728,588	-
67c, and 67d.	d A	[ ]		. 20, 308	
	68 Amount of line so			1	
Amount	Work of fille oo you want applied to				
You Owe	69 If line 57 is more than line 65, subtract line 65 from line 57. This is the amount you owe.  70 Estimated tax page 51				
	70 Estimated tax page 51			1	
ign	70 Estimated tax penalty. Also include on line 69	69			
lere	true, correct, and complete. Declaration of preparer (which is return and accompanying schedule)		<del>- 17   1   1</del>		
ant return?	Under penalties of perjury. I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowled true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  Your signature	ge and bet	iel, they are		
₱ page 19					
ep a copy your	Spouse's signature. If a joint return, bothboth must sign.  Date  Your occupation  CHIEF TECHNOLOGY	Daytir	me phone n	umber	
ords.	Spouse's signature. If a joint return, bothboth must sign.  CHIEF TECHNOLOGY (			<u>l-6014</u>	
	Spouse's occupation				
iid	Preparer's signature CONTRACTOR -		A brabatet	Snown below?	
epa 🤼 s	SIEVEN P. SMITH		er's SSN or	Yes No	
ie( 💜	Firm's name (or yours COMYNS SMITTH MOST				
<u></u>	address, and 719 and	68-0	3-90	-7124	
	LAFAYETTE, CA 94549	- 0	30/2	<u> </u>	
		(925	1 20	0.35.	
	IFOUSTA 11/22/00 Phone no.	1223	1 29	<u>9-1040</u>	

Attach to Form 1040,   See Instructions for Schedules A and B (Form 1040).   See Instructions for Sc	(Form 1040)	) '		Schedule A - Itemized Deductions	1	OMB No. 1545-0074
### CHONA J GONZALES  ### CHONA J GONZALES  ### CAUTION Do not include expenses frombused or paid by others.  ### CAUTION Do not include expenses frombused or paid by others.  ### CAUTION Do not include expenses from bussed or paid by others.  ### CAUTION Do not include expenses from bussed or paid by others.  ### CAUTION Do not include expenses from bussed or paid by others.  ### CAUTION Do not include expenses from bussed or paid by others.  ### CAUTION Do not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO not include expenses from bussed or paid by others.  ### CAUTION DO NOT D	Internal Revenue	e Servici	(99)	N. Albania and		2000
Caution, Do not include expenses intributed or paid by others.	1950 co. 60			miss actions for Schedules A and B (Form 1040).		Sequence No. U/
Dental   Expenses   2						
Multiply line 2 above by 7.5% (075)   3			1 M	edical and dontal current services reimbursed or paid by others.	743.	13-6/55
Multiply line 2 above by 7.5% (075)   3			2 Fr	offer amount from Tourist from		
State and local income taxes   5   15,845	Expenses					
State and local income taxes   5   15,845			4 6	https://www.da.com/da.c		
Paid	T \			The state of the s		
Climate   Clim			3 016	are and local income taxes		
Size	. 0.0			- John dakes (see page A-2)		
9 Add lines 5 through 8.  Interest You Paid (See Flags A3)  Interest You Paid (1)  Interest	15**		_	property taxes		
Homemoraps inveser for reported to you on Form 1098. See pg. A-3 STMT. 3. 12			8 Ott	ner taxes. List type and amount	1 1	
See page A.3			<b>-</b>			
Company   Com						
Company   Com						
Home mortages inverse not reported to you on Form 1088. Field to the person from worm you bought the horne, see page A-3 & show that persons name. ID no. 8 address			9 Add	lines 5 through 8		
Company   Com	Interest		10 Hor	ne mortgage interest and points speed of		34 34
Name   Preserved	You Paid			1 1000	10.38	34,34
No.			יים אינטרוי זייטרוי	7 you bount the home and a you on Form 1098. If paid to the person from	1	
Personal Interest   12   Points not reported to you on Form 1098. See pg. A-3	раде А-3.)		<b>&gt;</b>	normal, see page A-3 & show that person's name, ID no. & address	133	
12   Points not reported to you on Form 1098. See pg. A-3						
12   Points not reported to you on Form 1098. See pg. A-3 STMT. 3.	Note					
12	Personal				400	
12			_ =.			
13   14   14   14   14   14   14   14		1	2 Poin	its not reported to you on Form 1098. See pg. A-3 STMT 3		
14   Add lines 10 through 13   14   14   14   14   14   15   15   15		1	A INTAR	siment interest. Attach Form 4952 #		
Giffs to			1000	page A-3.)		
16		1		mou to allough 13		
16		19	5 Gifts	by cash or check. If any gift of \$250 or more see as A.4. QTP.	14	14:
17   Carryover from prior year   18   Add lines 15 through 17   19   Carryover from prior year   18   Add lines 15 through 17   19   Carryover from prior year   19   Add lines 15 through 17   Carryover from 4684.   19   Carr	city	16				
### Add lines 20 through 22 Enter amount from Form 1040, line 34	The state of the s		You	must attach Form 8283 if over \$500		
Casualty and Theft Losses  19	it for it.	17	Carry	/over from prior year		
19   19   19   19   19   19   19   19	see page A-1.	18	Add I	ines 15 through 17	Se. 34	
19   19   19   19   19   19   19   19	Casualty and	19	Caeu	Oliver that the second	18	17 000
Section   Sect	Theft Losses		(See	page A-5.)	<del></del>	11,000
Section   Sect	Job Expenses	20	Unrei	Mhurcod on the	19	
20   442,870   21   10   10   10   10   10   10   1	and Most Other		eic. Y	Other Street Str		
21 Tux preparation fees	Alscellaneous			21.65 (TAYDAYDA)	Lann.	
Other expenses - investment, safe deposit box, etc. List type and amount  21  22  23  Add lines 20 through 22  24  Enter amount from Form 1040, line 34  25  Multiply line 24 above by 2% (.02)  26  Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-  27  Other - from list on page A-6. List type and amount  28  29  29  20  20  21  21  22  23  24  24  27  Other - from list on page A-6. List type and amount  26  27  Other - from list on page A-6. List type and amount  28  29  20  20  21  21  22  23  24  25  27  Other - from list on page A-6. List type and amount  26  27  Other - from list on page A-6. List type and amount  28  29  20  20  20  20  21  22  23  24  25  26  27  Other - from list on page A-6. List type and amount  29  20  20  21  22  23  24  25  26  27  Other - from list on page A-6. List type and amount  26  27  Other - from list on page A-6. List type and amount  29  20  20  21  22  23  24  25  26  27  Other - from list on page A-6. List type and amount  26  27  Other - from list on page A-6. List type and amount  29  20  20  21  22  23  24  25  27  Other - from list on page A-6. List type and amount  29  20  20  21  22  23  24  24  27  Other - from list on page A-6. List type and amount  20  21  22  23  24  24  25  27  Other - from list on page A-6. List type and amount  20  21  22  23  24  24  27  Other - from list on page A-6. List type and amount  29  20  20  21  22  23  24  24  25  27  Other - from list on page A-6. List type and amount  20  21  22  23  24  24  27  Other - from list on page A-6. List type and amount  27  Other - from list on page A-6. List type and amount  29  29  20  20  20  21  21  22  23  24  24  27  28  29  20  20  20  20  20  20  20  20  20	eductions		_			
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28 is Form 1040, line 34, over \$128,950 (over \$64,475 if married filing separately)?  REDUCTION	ductions				.	
28 is Form 1040, line 34, over \$128,950 (over \$64,475 if married filing separately)?  REDUCTION					1	
No. Your deduction is get limited. A Aver \$128,950 (over \$64,475 if married filing separately)?  REDUCTION		20				
No. Your deduction in not limited to the		20	s Form 1	U40, line 34, over \$128,950 (over \$64,475 if married filling separately)?		0
for lines 4 through 27. Also, enter this emounts in the far right column -14,699	lons			and addition is not limited. Add the amounts in the fact that	1	

Case 4:08-cv-03189

Sche Ses A&B (Form 1040), 2000 Name(s) shown on Form 1049. Do not enter name and social security number if shown on other side. THOMAS J. GCNZALES OMB No. 1545-0074

	COMBADES	Your	ocial security number
	Schedule B – Interest and Ordinary Dividends  Note. If you had over \$400 in taxable interest your property of the second of the	545-	13-6755
Part I	Note. If you had over \$400 in taxable interest, you must also complete Part III.		Attachment Sequence No. 08
Interest			Cadenica No.
(See page B-1 and the instructions for Form 1040, line 8a.)	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security MT_DIABLO_NAT'L_BANK  NELLS_FARGO  ML		Amount 295
Note. If you received a Form 1099-INT. Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.	ML ELACKSTONE REALTY INVESTORS, LLC SEAMWARI MOTOR YACHT LTD NEW WORLD, LLC THOMAS J. GONZALES INVESTMENT CORP		12 593,544 7,159 30 3,571 9,033 106,589
2	Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Early 2017.	2	720,233
4			
Part II No	ote. If you had over \$400 in ordinary dividends, you must also complete Part III.	<b>3</b>	720,233
Form 1040, tine 9.)  Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the film's name as the payer and enter the ordinary bridends shown in that form.	List mane of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13.   ALERILL LYNCH  MERRILL LYNCH  ELESTATES  BLACKSTONE REALTY INVESTORS, LLC  SHAMWARI HELIO, LLC  MACH ONE AVIATION, LLC  CLIFFSIDE ENTERTAINMENT, INC.	5	698,607 991 227 161 409 2,002 6,112
ert III You mu	ad the amounts on line 5. Enter the total here and on Form 1040, line 9		
counts id 7a At. usts co.	devel a distribution from, or were a grantor of, or a transferor to, a foreign trust.  Start and distribution from, or were a grantor of, or a transferor to, a foreign trust.  Start and a bank account, securities account or other authority over a financial account in a feet of the first account.	eign	708,509 Yes No
8 Dec	100g 2000, did you receive a distribution from, or were you the granter of as the first you may have to the		<u>  X</u>
	Act Notice, see Form 1040 Instructions.	chedule B (F	X Form 1040) 2000

(Form 1040)		Cap	oital Gains ar	nd Losses	l	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (95)	► Att	ucii to Form 1040	J. Egg inne		<b>(</b>	2000
me(s) shown on Form 10.		se Schedule D-1	for more space to list	uctions for Schedule D transactions for lines 1	(POFM 1040), and 8	Attachment
HOMAS J. COM	ALEC					Sequence No. 12 if security number
Part I Short-Ter	m Capital Ga	ins and Losse	es - Assets Hold	One Year or Less		13-6755
1 (a) Description of property (Example, 100 sn xyz	(b) Date acquired (Mo., day, yr.)		(d) Sales price	One Year or Less		_3 0/33
SEE ATTACHED S	TATEMENT	(Mo., day, yr.)	(see page D-6)	other basis	(f) Gain or (loss)	27
	VARIOUS	S TIND TO-		(see page D-6)	Subtract (e) from (d)	
D. T.	11111100.	S VARIOU	S 231,808,13	3 233,401,14	2 -1,593,00	
BLACKVES'T	VARIOUS	VARIOU	1	1		
		11200	2 230, 798,00	0 372,800,000	0-142,002.00	00
2 Enter your short-term total	1- 7					
Schedule D-1 line 2	is, ii any, from					
Y TOTAL SHOPT - Larm and A m		<del></del>				
1 300 COIGHT (0) OF 1005 1 5	and 2		462 606 355			-1
TO OHOR HERE OAR It was a com-	COPO		462,606,133	3		7.
Forms 4684, 6781, and 88.	24	3 (iOSS) 1	· · · · · · · · · ·			<b>–</b>
				4		
5 Net short-term gain or closs 6 Short-term capital loss carr	>) irom partnership	s, S corporations,	estates, and trusts from	Schedule(s) K.+		
<ol> <li>Short-term capital foca carr 1999 Capital Loss Carryove</li> </ol>	yover. Enter the a	mount, if any, from	line P of	Schedule(s) K-1 5		
	Or Workshoot		THING O OF ACOL	1		
		* . * * * * * * * * * * * * * * * * * *			,	
7 Net short-term c. pp. 1 ga	in or floors Com			1	(	]
7 Net short-term c. pp. 1 ga	in or floors Com			1	-143595009	
7 Net short-term c. par. I ga Part II Long-Term (	in or (loss). Com	bine column (f) of and Losses	ines 1 through 6	re Than One Year	( -143595009	,
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7 Net short-term c. pat. I ga Part II Long-Term ( Description of prop. 17 ample, 100 sh; XYZ 2)	in or (loss). Com Capital Gains (b) Onte acquired (Mo., day, yr.)	bine column (f) of and Losses (c) Date sold (Mo., day, yr.)	ines 1 through 6  - Assets Held Mo: (d) Sales price (see page D-6)	re Than One Year		(g) 28% ratio gain or fitment
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7 Net short-term c. pat. I ga Part II Long-Term ( Description of prop. 17 ample, 100 sh; XYZ 2)	in or (loss). Com Capital Gains (b) Onte acquired (Mo., day, yr.)	bine column (f) of and Losses (c) Date sold (Mo., day, yr.)	ines 1 through 6  - Assets Held Mo: (d) Sales price (see page D-6)	re Than One Year  (e) Cost or other basis (see page D-6)	(f) Gain or (loss)	(g) 28% rate gain or (beat) * (see instr. below)
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· 28% rate gain or Loss cludes all "collectibles gains and losses" (as defined on page D-6) and up to 50% of the eligible gain on qualified small business stod page (3-4) id erwork Reduction

Scheöule D (Form 1949 26 THOMAS J. GONZALES		
Part III Sump of Parts I - 11		545-13-6755 Page 2
Part III Summary of Parts I and II		Page 2
Combine lines 7 and vi. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13.  Next: Complete fig. a 1040 through line 30. The		
MONEY TO WITCH THE 39. I DOD ON TO DOWN IV IN DURING		
and it are dains and		7.37313
● Form 1000 line 39, is more than zero		
Otherws: sit a here		
18 If line 17 is a loss, 175 here and as a (loss) on Form 1040, line 13, the smaller of these losse  ■ The loss on line 17 or		
		200 A
(\$3,000) or, if it d filing separately, (\$1,500)  Next: Skip Part it. low. Instead, complete Form 1040 through line 37. There		
Next: Skip Part (* low Instead, complete Form 1040 through line 37. Then, complete the		18 ( 3,000)
in the monet on page D.b II		7333)
<ul> <li>The logical line 17 exceeds the loss on line 18 or</li> </ul>		
• Fcrm Sag line 37, is a loss.		130 3
Can't Can't Waximum Capital Gains Rates		
19 Enter your taxable and ne from Form 1040 line 20		
20 Enter the smatter 1 a 16 or line 17 of Schedule D  21 If you are filling Forces 52, enter the amount from Force 4550 in		
21 If you are filing Forms 52, enter the amount from Form 4952, line 4e  22 Subtract line 21 from 5 e 20, If zero or less, enter 0	20	
22 Subtract line 21 fr. See 20. If zero or less, enter -0- 23 Combine line 37 8 25 3 If zero or less, enter -0-	21	
23 Combine lines 7 e. : If zero or less, enter -0- 24 Enter the smaller -1 2 15 or line 23 but not less than	22	
24 Enter the smaller of the 15 or line 23, but not less than zero. 25 Enter your unrece, and Jisection 1250 pain, if any from time 47 or 15.	23	
gair, il arry, front line 1/ of the worksheet on none b a		
26 Add lines 24 and ; 27 Subtract line 26 fr (2.2.2.2 fr zero celes)	25	
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28 SHDIFACLIBO 27 fr 40 H		27
29 Enter the smaller of		28
• The amount c <sub>1</sub> to 19 or • \$26.250 it size = 40.000 it		
\$26,250 if sin: 43,850 if married filing jointly or qualifying widow(er);		
mig separately; or \$35,150 if head of household		29
Inter the smaller 1 28 or line 29	30	
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and So did So did the same, skin lines 34 through 37		33
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and and an ine same, skip lines 38 through 51 and go to the same		37
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The state of the s		41
Udlik, Skin lings 49 through F4		- 41
42 Enter the smaller that 22 or line 25	. 42	bal
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45 Subtract line at tr. 1942 Washington		
6 Subtract line 35 6	45	
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a blank, skip lines 46 inrough 51 and no to line 52		47
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( Carrier of the carr		E1
, and 31	********	51
the tax on the mount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applie	S ,,,,,,	52
		53

Buhedule E (Form	· 1 J) 2000									
Name(s) shown correla	of enter name and s	ocial security number if shown on oti			Attachm	ont Same		4.5		
THOMAS J.						ent Seque				Pa
Note: If you repo	ounts from farmin	or fishing on Schodule 5					1	545-13	anty numb	
Part II Inc.	plete line 42 belo	g or fishing on Schedule E, ow.	you must enter yo	our gross inco	me from those a	ctivities o	n line 41	below Real	-6/5	5
	(e) or (f) on line	om Partnerships and 27 to describe your investman	S Corporation of the control of the	ons If your See page E-	eport a loss from 5. If you check o	n an at-ris	k activity	y, you must	check e	the
		) Name		partnership;	(c) Check if foreign		(d) Employ		invest. A	
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real estate a

line 23; and Schedule K-1 (Form 1041), line 14 (see page E-6)

442,870 Form 2106 (2000)

Form 2106		ctions.	xpenses	}	OMB No. 1545-0139
Your name	Attach to Form 1	040.		1	Attachment
THOMAS J.	NZALES	Occupation	in which you incurred expenses		Sequence No. 54
		HIE:	F TECHNOLOGY OF	Social secu	
Part I EM	projee Business Expenses and Reimbursements		OF	1545-	13-6755
Step 1 Enter	i Just Expenses	T	Column A	1	Column B
400			Other Than Meals		Meals and
1 Vehicle expense			and Entertainment		Intertainment
	(ridial mail carriers: See instructions)	- 1	.		
2 Parking fees to did not involve	Tallspollation, inclinding train him at a	├-	1		
3 Travel expense	government to and from work	- 1.	2		
airplane, carren	Way Irom home overnight including the	<u> </u>	2	⅃ͺ϶	
4 Business expens	and entertainment		.		
Do not include n	* A MICHOUGU ON IMPS 1 Harounds A	·	•	_	
	and entertainment	.   4	E41 500		
5 Meals and calent	Int expenses (see that	-	541,588	J	
6 Total expenses	ent expenses (see instructions)	. 5			
In Column B. ont.	olumn A, add lines 1 through 4 and enter the result.			٦ <u> </u>	
		6	541,588		
Note: If you were	eimbursed for any expenses in Step 1, skip line 7 and enter the a	mount fr	om line 6 on line 8		
Step 2 Enter	mbursements Received From Your Employer fo				
		-vhe	rises Listed in Step 1		
nter reimbursen. ( ox 1 of Fann W	received from your employer that were <b>not</b> reported to you in				
your Form W.	clude any reimbursements reported under code "L" in box 13	- 1			
		7	98,718	·	[
tep 3 Figure	Denses To Deduct on Cal	······	20,710		
	penses To Deduct on Schedule A (Form 1040)				
Subtract fire 7 fre.	e 6. If zero or less	T			
than line 6 in Coi .	o 6. If zero or less, enter -0 However, if line 7 is greater i, report the excess as income on Form 1040, line 7		1 1		
Note: If the comme	as income on Form 1040, line 7	8	442,870		_
expenses	s of line 8 are zero, you cannot deduct employee business here and attach Form 2106 to you set			wil	0
- F	here and attach Form 2106 to your return.				
In Column A, ent	amount to the	1 [		.	
(Employees subject	amount from line 8. In Column B, multiply line 8 by 50% (.50).				1
Multiply monters	Department of Transportation (DOT) hours of service limits: \$ by 60% (.60) instead of 50%.			T <sub>A</sub>	
For details, so a local	tions \	i 1	1 1	. 1	1



For details, so a in-

line 20. (For back

For Paperwork, Red. ....n Act Notice, see instructions.

the instruction of the

10. Add the arr  $\varepsilon$  ante

ie 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040),

te or local government officials, qualified performing artists, and individuals with disabilities: See

cial rules on where to enter the total.)

lions.)

6198 At-Risk Limitations OMB No. 1545-0712 Department of the res Attach to your tax return. 2000 See separate instructions. Name(s) steppings with Attachou THOMAS J 31 ONZALES Sequence No Identifying numbe Description of de 17 1 e 2 of the instructions! 545-13-6755 THOMAS ONZALES INVESTMENT CORP Part I Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts. (See instructions.) Enter losses in perentheses Ordinally in. (loss) from the activity. See page 2 of the instructions Gain (1998) he sale or other disposition of assets used in the activity (or of your interest in the activity) that you 721 initially reposia Schoulde D Form 4797 ...... 28 Other form. 2b Other littor. jains from the activity, from Schedule K-1 of Form 1085, Form 1065-B, or Form 1120S, that were 2c not included ... nes 1 through 2c Other dodu : ... or losses from the activity, including investment interest expense allowed from Form 4952, that 3 114,904 on lines 1 through 3 4 (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before Current year completing : st of this form Part II S... fied Computation of Amount At Risk (See page 3 of the instructions to find out if you may use this part.) 115,625 Adjusted by s defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax yes. Do nter less than zero Increases to 0 Add Francis C 7 Decreases : tax year. See page 4 of the instructions ..... 8 ō 10 a Subuce Sign . m line 8 .....▶ 10a 9 **b** If fine that have been set that amount here and go to line 20 (or complete Part III). 0- and see Pub. 925 for information on the recapture rules ant to complete Part III to see if it gives you a larger amount at risk. Note: Your 10h Part III D 0 ed Computation of Amount At Risk empleted Part III of Form 6198 for 1999, see page 4 of the instructions.) H. 11 activity (or in your interest in the activity) at the effective date. Do not enter less than zero ....... Investment .. 12 tive date ..... Incre 15/9/2 11 13 Add m. s. t. 12 ..... 12 Decreases ... 14 ctive date.... 13 Amount of a neck box that applies): 14 ☐ At cateot... ie. Subtract line 14 from line 13. Do not enter less than zero. ☐ From 19: rm 6198, line 19b. (Do not enter the amount from line 10b of the 1999 form.) 15 Increased s check box that applies): □ Effective , b The end of your 1999 tax year ..... Add in ... 17 16 18 Decreases (check box that applies): 17 ☐ Eligitive g b ☐ The end of your 1999 tax year ..... 19a Subtract lin - 3m line 17 ..... ▶ 19a 18 If line (Sa) e than zero, enter that amount here and go to line 20. Others, et 0- and see Pub. 925 for information on the recapture rules Part IV D. tible Loss 19b Amount at ... Enter the larger of line 10b or line 19b. Deductible ... If line 20 is zero, enter -0-; you do not have a deductible loss this year. Ō Otherwise, the smaller of the line 5 loss (treated as a positive number) or line 20. instructions to find out how to report any deductible loss and any carryover Sec page 6. Note: if he from a passive activity, see Form 8582, Passive Activity Loss Limitations, or Form 8810, Corporate Passive Activity Loss and Credit to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, Local, that part on Form 8582 or Form 8810, whichever applies. 1.900

For Paperw.

Form 6251

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Alternative Minimum Tax - Individuals

Filed 07/02/2008

 See separate instructions ► Attach to Form 1040 or Form 1040NR. OMB No. 1545-0227 2000

Attachmen

Form 6251 (2000)

'HOMAS Sequence No **JZALES** Part I Adj. nents and Preferences 545-13-6755 1 If you itensized tions on Schedule A (Form 1040), go to line 2. Otherwise, enter your standard deduction from Form 1940 36, here and go to line 6 2 Medical chalde. Enter the smaller of Schedule A (Form 1040), line 4 or 2 1/2% of Form 1040, line 34 ount from Schedule A (Form 1040), line 9 3 Taxes, Entertly 2 Certain is tores: home mortgage not used to buy, build, or improve your home ..... 3 34,345 5 Miscellan Jous ed deductions. Enter the amount from Schedule A (Form 1040), line 28 4 er any tax refund from Form 1040, line 10 or line 21 Refund of taken 5 430,492 7 Investment at-6 3,931 n. Enter difference between regular tax and AMT depreciation 8 Post-1950 Jep. 7 Adjusted grain c 8 30,831 10 Incentive stack a ns. Enter excess of AMT income over regular tax income ...... 9 11 Passive activities. iter difference between AMT and regular tax income or loss ..... 10 12 Benefician, 5 oc. es and trusts. Enter the amount from Schedule K-1 (Form 1041), line 9 11 13 Tax-exempt into rom private activity bonds issued after 8/7/86 ..... 12 14 Other, Enter that unt, if any, for each item below and enter the total on line 14. 13 a Circulation e., h Loss limitations ...... b Depletion ... . . . . . I Mining costs ..... c Deproduction 19871 Patron's adjustment . . . . d Installments . . . . . . k Pollution control facilities . e Intangalizaci... costs . . I Research & experimental. 1 Large pulliple m Section 1202 exclusion ... g Long-tenne . Is n Tax shelter farm activities. Related adjustments . . . . und Preferences. Combine lines 1 through 14..... Total Adjudence 14 art II Allenn ive Minimum Taxable Income 15 491,737 Enter the condu 17 Net operating to duction, if any, from Form 1040, line 21. Enter as a positive amount 16 157,644 If Form 1, to L. is over \$128,950 (over \$64,475 if married filing separately), and you itemized deductions, 17 enter the photony, from line 9 of the worksheet for Schedule A (Form 1040), line 28 Combine ... us 18 <u>14,699</u> 20 Alternative tax: erating loss deduction. See page 6 of the instructions ...... 634,682 19 ...n Taxable Income. Subtract line 20 from line 19. (If married filing separately and line 21 Alternative Mi.... 20 Part III CXC... 0, see page 7 of the instructions.) ... on Amount and Alternative Minimum Tax 21 634,682 22 Exemption Act. . (If this form is for a child under age 14, see page 7 of the instructions.) IF your fling and AND line 21 is : 13: THEN enter not over . . . Single or head. .sehold ...... \$112,500 ..... \$33,750 Married fc. gjc. Married Hungs . ely ..... 45,000 22 75,000 ..... If line 21 is ove. amount shown above for your filing status, see page 7 of the instructions. 23 Subtract 4 to 21 line 21. If zero or less, enter -0- here and on lines 26 and 28 and stop here 23 24 If you represent 634,682 .r gain distributions directly on Form 1040, line 13, or you completed Schedule D (Form 1040) and have create on line 25 or line 27 (or would have had an amount on either line if you had completed Part IV) (as refigured to MT, if necessary), go to Part IV of Form 6251 to figure line 24. All others: If line 23 is \$175,000 or less (HDT,50 ss if married filing separately), multiply line 23 by 26% (.26). Otherwise, multiply line 23 by 1 of ... and subtract \$3,500 (\$1,750 if married filing separately) from the result 25 Alternation our ax foreign tax credit. See page 7 of the instructions. 174,211 26 Tentation of the x. Subtract line 25 from line 24 25 27 Enter your 15.8 ... orm 1040, line 40 (minus any tax from Form 4972 and any foreign tax credit 174,211 26 TEM For Line iernati. e In... a Tax. Subtract line 27 from line 26. If zero or less, enter -0-. 27 44,803 nter held line. an 1040, line 41 For Papervicin Re... on Act Notice, see page 8 of the instructions. 28 129,408

Form 8582 (2000)

	Form 8502	Passive Activity Loss Limitations		OMB No. 1545-1008
	Department of the Bro	1		2000
	Name(s) sheet in			Attachment
	THOMAS J			Sequence No. 88 Identifying number
	Part I	Passive Activity Loss		545-13-6755
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	<b>5</b> A	- 7030	_ ```	
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	3 Occasional unit control cont	J and 2d. If the result is net income or zero, all losses are allowed, including any prior year entered on line 1c or 2c. Do not complete Form 8582. Report the losses on the forms and III used.	2d	-1,424,312
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4	Enterplace.	or of the loss on line 1d or the loss on line 3		
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6	Enter (Co.)	ljusted gross income, but not less than zero		
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7	<b>S</b> ur	om line 5		
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9	En en en en	r of line 4 or line 8	-	
Ра	irt III 1	Losses Allowed	9	
10	Add Loan			
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	final const	port the losses on your tax return		9,036
J. P	aper	ion Act Notice, see page 12 of the instructions.	11	9,036

# ALTERNATIVE MINIMUM TAX Passive Activity Loss Limitations

 See separate instructions. Attach to Form 1040 or Form 1041.

2000 Attachment

OMB No. 1545-1008

Sequence No. 545-13-6755 1: See the instructions for Worksheets 1 and 2 on page 8 before completing Part I. ctivities With Active Participation (For the definition of active participation see Active ntal Real Estate Activity on page 4 of the instructions.) t income (enter the amount from Worksheet 1, column (a)) I loss (enter the amount from Worksheet 1, column (b)) ..... 1b .ved losses (enter the amount from Worksheet 1, column (c)) 10 ı, 1b, and te livilies 14 2a Adm., 1953 t income (enter the amount from Worksheet 2, column (a)) 9,186 l loss (enter the amount from Worksheet 2, column (b)) ...... Activities 1,417,961 2b Professor. ved losses (enter the amount from Worksheet 2, column (c)) 2c Ci, 2b, and 2c -1,408,775 C, **2d** I and 2d. If the result is net income or zero, all losses are allowed, including any prior year entered on line 1c or 2c. Do not complete Form 8582. Report the losses on the forms and Ser ily used. a 1d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to line 10 Part i. al Allowance for Rental Real Estate With Active Participation <u>-1,408,775</u> inter all numbers in Part II as positive amounts. See page 8 for examples. ; your filing status is married filing separately and you lived with your spouse at any time he year, do not complete Part II. Instead, enter -0- on line 9 and go to line 10. r of the loss on line 1d or the loss on line 3 ..... Eat . 14 :f married filing separately, see page 8 ..... En way to ljusted gross income, but not less than zero reater than or equal to line 5, skip lines 7 and 8, enter -0- on ne 10. Otherwise, go to line 7. S . ;

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2000 FEDERAL ALTERNATIVE MINIMUM TAX DEPRECIATION SCHEDULE

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#### THOMAS J. GONZALES, II (Deceased) TIN: 545-13-6755

#### REFUND CLAIM (FORM 1040X, TAX YEAR 200012) Incorporated As Though Fully Set Forth At Page 2, Part II, Explanation of Changes to Income, Deductions and Credits

Taxpayer Thomas J. Gonzales, II (deceased) hereby requests a refund of \$31,478,202.00, together with interest as allowed by law. This amount was paid to the United States Treasury on or about 13 April, 2007, by Merrill Lynch Official Check numbered 266963628, dated 4/11/2007, in the amount of \$31,478,002.00, and Personal Money Order drawn on Wells Fargo Bank, numbered 0000111014, and dated 4/13/07, in the amount of \$200.00, both checks totaling \$31,478,202.00. Payment was acknowledged received by the Internal Revenue Service by the assignment of payment DLN: 89217-106-82800-7. Copies of the respective checks are attached hereto as Exhibits A-1 and A-2. Further, Taxpayer requests a refund of such other amount as may be appropriate, together with interest as allowed by law, on the following bases and for the following reasons:

#### 1. THE STATUTORY NOTICE OF DEFICIENCY

The Internal Revenue Service issued a statutory notice of deficiency (a copy of which is attached hereto as Exhibit B, and incorporated by this reference as though fully set forth herein,) on December 06, 2006, to: Thomas J. Gonzales (Deceased), [sic] Thomas J. Gonzales, II, Executor, [sic]<sup>1</sup> 110 Mason Circle, Suite B, Concord, CA 94520-1328<sup>2</sup>, for the aforementioned deceased Taxpayer's 1040 tax years ended December 31, 2000 and December 31, 2001, as follows:

<sup>&</sup>lt;sup>1</sup> The decedent is Thomas J. Gonzales II, and the executor is Tom Gonzales.

<sup>&</sup>lt;sup>2</sup> Executor Tom Gonzales' current correct address is 134 Lakes Blvd., Dayton, NV 89403.

# 2/200

#### A. TAX YEAR ENDED DECEMBER 31, 2000

For the tax year ended December 31, 2000, the Internal Revenue Service assessed a deficiency-increase in tax, in the amount of \$26,231,835.00 (exclusive of statutory interest), and a penalty assessment pursuant to 26 U.S.C. § 6662(a) in the amount of \$5,246,367.00.

#### B. TAX YEAR ENDED DECEMBER 31, 2001

For the tax year ended December 31, 2001, the Internal Revenue Service erroneously disallowed Itemized Deductions in the amount of \$1,986,369.00, and erroneously included in taxable income a "State Tax Refund" in the amount of \$143,773.00, both adjustments totaling \$2,130,142.00, thereby erroneously reducing Taxpayer's claimed loss of \$8,757,573.00, to \$6,627,431.00.

## 2. <u>CHALLENGE TO ALL PROPOSED ASSESSMENTS ASSERTED IN EXHIBIT B</u>

Taxpayer asserts that each and every adjustment contained in Exhibit B is erroneous, arbitrary, capricious, and contrary to law. Taxpayer demands that each and every adjustment be reversed and eliminated, including the asserted 26 U.S.C. § 6662(a) penalty of \$5,246,367.00, resulting in a refund of \$31,478,202.00, or such other amount as may be appropriate, together with interest as allowed by law.

#### A. <u>EXHIBIT B: LINE ITEM 1.a ON FORM 4549A-DENIAL OF TAX YEAR 2000</u> <u>CAPITAL LOSS</u>

The Internal Revenue Service, as provided by Exhibit B, line item 1.a. on Form 4549A-Capital Gain or Loss, disallowed Taxpayer's claimed capital loss in the amount of \$142,002,000. This disallowance resulted in an alleged net capital gain in the amount of

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\$130,928,478, rather than the net capital loss of (\$3,000) claimed on the taxpayer's form 1040 for the 2000 tax year. As basis for the assertion that \$31,478,202.00, or such other amount as may be appropriate, together with interest as allowed by law, should be refunded, the aforementioned Taxpayer states that he is entitled to the claimed loss of \$142,002,000, resulting from the acquisition and disposition of U.S. Treasury Bonds and other related financial instruments. The bases for Taxpayer's entitlement are as follows:

i. The facts, circumstances and law support the claimed loss, since the amount realized pursuant to 26 U.S.C. § 1001, Treasury Regulation § 1.1001-2(a), and relevant case law, was less than the Taxpayer's actual basis, including the relief of liabilities, as recognized in fact, at law, and in equity, all in accordance with existing law, regulation, rulings, judicial and other authority.

The taxpayer entered into a for profit transaction wherein he acquired U.S. Treasury Bonds, which paid interest at an above-market rate. In exchange for the U.S. Treasury Bonds, the taxpayer issued a note whose face amount was essentially equal to the face amount of the Treasury Bonds, and which paid a nearly identical interest rate to the rate paid by the Bonds. Accordingly, because the fair market value of the bonds was greater than the face amount of the bond, the note was issued at a premium.

Pursuant to 26 U.S.C. § 1273(b)(3) and the relevant Treasury Regulations, the issue price of debt issued for property that trades on a market, like Treasury Bonds, is the fair market value of the property (Treasury Bonds in this case). Under Treasury Regulation § 1.1012-1(g)(1), the basis of the Treasury Bonds acquired was equal to the issue price of the debt issued by the taxpayer - in other

words, the Treasury Bonds had a basis to the Taxpayer equal to the fair market value of the Treasury Bonds at the time acquired. The Internal Revenue Service did not challenge this fact in its Notice of Deficiency (Exhibit B).

When the Taxpayer transferred the Treasury Bonds, the debt owed by the Taxpayer was assumed by the buyer of the Treasury Bonds. In accordance with applicable case law, regulations and rulings, the Taxpayer included in his amount realized from the sale of the Treasury Bonds, the face of amount of the Note. The Internal Revenue Service asserted in the Notice of Deficiency that 26 U.S.C. § 1273(b)(3) and Treasury Regulation § 1.1275-1(b) required that the amount realized include the adjusted issue price of the debt in question, not the face amount of the debt. In fact, however, 26 U.S.C. § 1273(b)(3) is silent regarding the amount realized from the transfer of property. Similarly, Treasury Regulation § 1.1275-1(b) is silent regarding the amount realized from the transfer of property. Thus, there is no requirement that the amount realized include the adjusted issue price of the debt, rather than the face amount of the debt. Consequently, the position of the Internal Revenue Service is erroneous, arbitrary, capricious and contrary to the law. Further, the position of the Internal Revenue Service as stated in Exhibit B is unjustified and indefensible.

As a result, Taxpayer realized a loss in the amount claimed, upon disposition of the Taxpayer's interest in the subject United States Treasury Bonds and other related financial instruments because the amount realized was \$142,002,000 less than Taxpayer's basis in the subject United States Treasury Bonds.

iv.

v.

The subject transactions relating to the transfer of Taxpayer's interest in the United States Treasury Bonds and other related financial instruments are taxable transactions, pursuant to the relevant provisions of the Internal Revenue Code, regulations, rulings, case and other authority thereunder.

Taxpayer entered into the subject transactions with a profit motive involving transactions having economic substance, which transactions were at risk to market conditions.

The form of the subject transactions is consistent with their substance; and the subject transactions, in form and substance, were subject to economic risk of profit and loss resulting in a substantive economic consequence, as a matter of fact and law.

vi. Taxpayer, as a matter of fact and law, is entitled to the claimed losses for Xing mail, Swing Solutions, and Auto Parts, etc., all of which have or can be established in compliance with the relevant provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder.

# B. <u>EXHIBIT B: LINE ITEM 17. A. ON FORM 4549A-ACCURACY RELATED PENALTY PURSUANT TO 26 U.S.C. § 6662(A)</u>

The 26 U.S.C. § 6662(a) penalty in the amount of \$5,246,367.00, asserted in Exhibit B, is not a valid penalty as a matter of law, is not applicable nor

operative, as it is null and void, and is in violation of the representations contained in Internal Revenue Service Announcement 2002-2, upon which the aforementioned Taxpayer reasonably relied. A copy of the aforementioned Announcement 2002-2 is attached hereto as Exhibit C, and incorporated by this reference as though fully set forth herein. Exhibit C provides that adequate disclosure of the transaction(s) giving rise to the tax benefit claimed on the tax return would result in no penalty being asserted by the Internal Revenue Service. In compliance with Exhibit C, Taxpayer timely, fully, and adequately disclosed to the Internal Revenue Service the information required by Exhibit C. Taxpayer's Disclosure Statement is attached hereto as Exhibit D-1, and incorporated by this reference as though fully set forth herein. The Internal Revenue Service determined that the Taxpayer's disclosure was adequate, pursuant to Announcement 2002-2, and that no penalty should be assessed pursuant to 26 U.S.C. § 6662. The Internal Revenue Service's determination, dated August 14, 2002, that imposition of the 26 U.S.C. § 6662 accuracy related penalty is waived because of Taxpayer's disclosure (Exhibit D-1,) is attached hereto as Exhibit D-2, and incorporated by this reference as though fully set forth herein.

Consequently, imposition of the 26 U.S.C. § 6662(a) penalty in any amount against this Taxpayer, given the particular facts and circumstances, is not appropriate, nor justified. It is believed the accuracy-related penalty was asserted in error and is subject to reversal, abatement or otherwise to be eliminated without dispute by unilateral Internal Revenue Service action in compliance with its representations contained in IRS Announcement 2002-2(Exhibit C).

Accordingly, based on Exhibits C, D-1 and D-2, Taxpayer hereby demands that the asserted 26 U.S.C. § 6662(a) penalty in the amount of \$5,246,367.00, or any other amount, together with interest as may be allowed by law, be abated, reversed and eliminated as a matter of law, rendering such penalty null and void *ab initio*, as applied to this Taxpayer, pursuant to Due Process, Taxpayer's rights and privileges under the United States Constitution, and the relevant laws of the United States of America, regulations and rulings of the United States Treasury and its agency, the Internal Revenue Service, upon which the aforementioned Taxpayer reasonably relied.

#### C. <u>TAX YEAR 2000 SHORT-TERM CAPITAL LOSS CARRYOVER</u> <u>AVAILABLE FOR SUBSEQUENT YEARS</u>

Adjustment \$11,070,513

Taxpayer is entitled to the claimed 2001 carryover loss, from tax year 2000, in the amount of \$11,070,513, or any other amount, as a matter of fact and law. The aforementioned \$11,070,513 adjustment is arbitrary, capricious and erroneous as a matter of fact and law and should be reversed, and Taxpayer should be allowed the \$11,070,513 carryover loss claimed on the 2001 tax return.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Taxpayer by separate refund claims on Form 1040X is filing for refunds based on the net operating loss arising from 2001 as adjusted. See attached schedule (Exhibit E) reflecting application of the 2001 net operating loss, incorporated by this reference as fully set forth herein.

#### D. <u>EXHIBIT B: LINE ITEM 1.b ON FORM 4549A-ITEMIZED DEDUCTIONS</u>

<u>Year</u>	Per Return	Per Examination	Adjustment
2000	\$ 461,279	\$ 9,097	\$ 452,182
2001	\$2,196,483	\$210,114	\$1,986,369

The adjustments made by the Internal Revenue Service with respect to Taxpayer's itemized deductions for tax years 2000 and 2001, as described above, are arbitrary, capricious and erroneous, as Taxpayer has or can substantiate all deductions as being in accordance with the relevant provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder. Further, regarding tax year 2001, Taxpayer has or can substantiate the claimed \$1,986,369 of miscellaneous expenses as being deductible in accordance with the relevant provisions of the Internal Revenue Code, regulations, rulings, cases and other authority thereunder.

Taxpayer acknowledges the three percent limitation provided by the Internal Revenue Code, 26 U.S.C. § 68, but states that the 2000 and 2001 thresholds have been satisfied, and are not operative if the adjustments proposed in Exhibit B are not valid.

Taxpayer further states as follows, with respect to Exhibit B:

#### E. EXHIBIT B: LINE ITEM 1.C ON FORM 4549A-STATE TAX REFUND

Year	Per Return	Per Examination	<u>Adjustment</u>
2001	(\$143,773)	0	\$143,773

The deduction claimed for State Tax Refund on Taxpayer's 2001 tax return is applicable and allowable as claimed, since the proposed adjustments contained in Exhibit B are arbitrary, capricious, erroneous, null and void. Further, the reduction or exclusion of the \$143,773 State Tax Refund is appropriate, as no tax benefit had been received



from claiming state tax payments as a deduction, prior to receiving the aforementioned refund, properly excluded from 2001 taxable income.

Filed 07/02/

#### F. EXHIBIT B: LINE ITEM 6 ON FORM 4549A-ALTERNATIVE MINIMUM $\underline{\mathsf{TAX}}$

Year	Per Return	Per Examination	Adjustment
2000	\$ 78,993	0	(\$78,993)

Taxpayer states that the Form 1040 for tax year 2000 is correct as filed. The proposed adjustments contained in Exhibit B are arbitrary, capricious, erroneous, null and void. Consequently, the Alternative Minimum Tax of \$78,993 as reported for 2000 is correct.

#### 3. TAXPAYER'S GOOD FAITH AND RELIANCE UPON PROFESSIONAL ADVICE

Taxpayer entered into the subject United States Treasury Bond transactions in good faith, upon the advice and reliance of professional advisors and counselors, with a bona fide profit motive. Taxpayer believed the transactions complied with all laws, never intending in any manner to disregard the professional advice of his advisors and counselors, nor in any manner to disobey the law, or violate a known legal duty.

#### 4. THE STATUTE OF LIMITATIONS BARS ASSESSMENT OF ADDITIONAL TAX, PENALTY, AND INTEREST; THE SUBJECT TRANSACTIONS ARE NOT "LISTED **TRANSACTIONS**"

Additionally, assessments of additional tax, penalty, or interest, or adjustment of any claimed tax benefit on Taxpayer's tax returns for his tax years ended December 31, 2000 and December 31, 2001 are barred as a matter of law, as the statute of limitations for additional assessment had expired as of the date Exhibit B was issued on December 6, 2006. Further, the subject transactions are not "listed transactions" within the contemplation of IRS Notice 2000-

Filed 07/02

44. Therefore, any tax or interest paid pursuant to Exhibit B is paid under protest as being paid based on an illegal assessment. Any such payment should be refunded with interest as allowed by law.

### REQUEST FOR REFUND AS CLAIMED; NO REDUCTION OF TAX BENEFITS

Taxpayer, for the reasons and bases stated above, respectfully requests and demands for taxable year ended December 31, 2000, a refund of \$31,478,202.00, or such other amount as may be appropriate, together with interest as allowed by law. In addition, for the taxable year ended December 31, 2001, Taxpayer respectfully demands and requests the claimed loss of \$8,757,573, as stated in Exhibit B to be allowed as claimed, without adjustment in any manner.

Respectfully submitted,

Executor/Trustee

THOMAS J. GONZALES II, (DECEASED)

Dated: 8-10-07

10

# **EXHIBIT A-1**

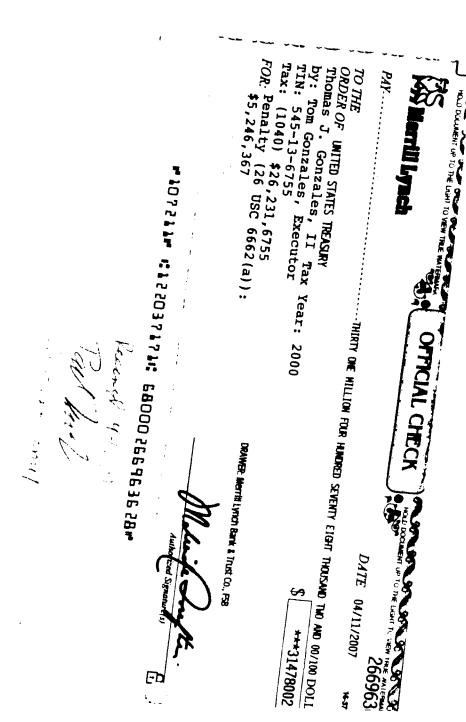


EXHIBIT
A-|

Thomas J. Gonzales, II
by: Tom Gonzales, Executor
TIN: 545-13-6755
Tax (1040): \$26,231,835

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# **EXHIBIT A-2**



# PERSONAL MONEY ORDER

ACCOUNT#: 4861-505360 SERIAL #: 0000111014

April 13, 2007

\*\*\*UNITED STATES TREASURY \*\*\* \*\*\*THOMAS J. GONZALES II, TIN 545-13-67552000\*\*\* PAY TO THE ORDER OF

\*\*\*Two hundred dollars and no cents\*\*\*

WELLS FARGO BANK, N.A. SAN FRANCISCO MAIN 464 CALIFORBUL ST SAN FRANCISCO, CA 94104 FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER—IF STOP PAYMENT IS PLACED ON THIS PERIOD BEFORE ISSUING BANK MAY MPOSE A WAITING PERIOD BEFORE ISSUING A REPLACEMENT OR REFUND.

Purchaser Copy

NON-NEGOTIABLE

VOID IF OVER US \$ 200,00

\*\*\$200.00\*\*

PERSONAL MONEY ORDER

0000111014

April 13, 2007

\*\*\$200.00\*\*

\*\*\*UNITED STATES TREASURY \*\*\* \*\*\*THOMAS J. GONZALES II, TIN 545-13-67552000\*\*\*

\*\*\*Two hundred dollars and no cents\*\*\*

PAY TO THE ORDER OF

Operator (.D.: cue190gg

Office AU #

SAN FRANCISCO MAN 464 CALIFORNIA ST SAN FRANCISCO, CA 94104 FOR MOLHRIES CALL (480) 394-3122 WELLS FARGO BANK, N.A.

VOID IF OVER US \$ 200.00

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al last backer and Received, 4-13-57

1210(8)

Purchaser.
Purchaser Account: 6
Operator 1.0.:

MARTIN A SCHANGALIN

0628273430 cu618888

# EXHIBIT B

# Filed 07/02/2008

#### Department of the Treasury

#### Internal Revenue Service

1301 Clay Street Stop# 895S 90 Day Oakland, CA 94612

Oaklan

DEL 11 6 7006

Thomas J. Gonzales (Deceased)
Thomas J. Gonzales II, Executor
134 Lakes Boulevard
Dayton, NV 89403

Letter Number: 531 (DO)

Form Number: 1040

Taxpayer Identification Number:

545-13-6755

Person to Contact:

Leonard Antonio

Contact Telephone Number:

(510) 637-2590 (Not Toll Free)

Employee Identification Number:

ID#94-09515

Refer Reply To:

SE:S:E:TS:CAA:14

Last Day to File a Petition With the

United States Tax Court:

MAR 0 6 2007

\*Tax Year Ended

Deficiency:

Penalty Section(s)

Increase in tax

6662(a)

December 31, 2000

\$26,231,835.00

\$5,246,367.00

#### Dear Taxpayers:

#### NOTICE OF DEFICIENCY

We have determined that you owe additional tax or other amounts, or both, for the tax year(s) identified above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how figured the deficiency.



If you want to contest this determination in court before making any payment, you have 90 days from the date of this letter (150 days if addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. You can get a copy of the rules for filing a petition and a petition form you can use by writing to the address below.

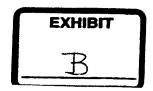
United States Tax Court, 400 Second Street, NW, Washington, DC 20217

The Tax Court has a simplified procedure for small tax cases when the amount in dispute for each tax year is \$50,000 or less. If you intend to file a petition for multiple tax years and the amount in dispute for any one or more of the tax years exceeds \$50,000, this simplified procedure is not available to you. If you use this simplified procedure, you cannot appeal the Tax Court's decision. You can get information pertaining to the court's internet site at www.ustaxcourt.gov.

Send the completed petition form, a copy of this letter, and copies of all statements and/or schedules you received with this letter to the Tax Court at the above address. The Court cannot consider your case if the petition is filed late. The petition is considered timely filed if the postmark date falls within the prescribed 90 or 150 day period and the envelope containing the petition is properly addressed with the correct postage.

The time you have to file a petition with the court is set by law and cannot be extended or suspended. Thus, contacting the Internal Revenue Service (IRS) for more information, or receiving other correspondence from the IRS won't change the allowable period for filing a petition with the Tax Court.





Letter 531(DO) (Rev.6-2003) Catalog Number 40222A

As required by law, separate notices are sent to husbands and wives. If this letter is addressed to both husband and wife, and both want to petition the Tax Court, both must sign and file the petition or each must file a separate, signed petition. If more than one tax year is shown above, you may file one petition form showing all

You may represent yourself before the Tax Court, or you may be represented by anyone admitted to practice before the Tax Court.

If you decide not to file a petition with the Tax Court, please sign the enclosed waiver form and return it to us at the IRS address on the top of the first page of this letter. This will permit us to assess the deficiency quickly and can help limit the accumulation of interest.

If you decide not to sign and return the waiver, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the date of this letter (150 days if this letter is addressed to you outside the United States).

NOTE: If you are a C-corporation, Section 6621(c) of the Internal Revenue Code requires that we charge an interest rate two percent higher than the normal rate on corporate underpayments in excess of \$100,000.

If you have questions about this letter, you may write to or call the contact person whose name, telephone number, and IRS address are shown on the front of this letter. If you write, please include your telephone number, the best time for us to call you if we need more information, and a copy of this letter to help us identify your account. Keep the original letter for your records. If you prefer to call and the telephone number is outside your local calling area, there will be a long distance charge to you.

The contact person can access your tax information and help you get answers. You also have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures such as the formal appeals process. The Taxpayer Advocate is not able to reverse legally correct tax determinations, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. If you want Taxpayer Advocate assistance, please contact the Taxpayer Advocate for the IRS office that issued this notice of deficiency. See the Enclosed Notice 1214, Helpful Contacts for Your "Notice of Deficiency", for Taxpayer Advocate telephone numbers and addresses.

Thank you for your cooperation.

Sincerely yours, MARK W. EVERSON

Commissioner by

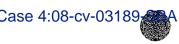
Technical Services Territory Manager

Enclosures:

Explanation of tax changes Waiver Notice 1214

nder: GLP

Letter 531(DO) (Rev.6-2003) Catalog Number 40222A



Form 5564-A (October 1999)

#### Department of the Treasury - Internal Revenue Service Notice of Deficiency - Waiver

Symbols SE:S:E:TS:CAA:14

Name and Address of Taxpayer(s)

Thomas J. Gonzales (Deceased) Thomas J. Gonzales II, Executor 134 Lakes Boulevard Dayton, NV 89403

Social Security or Employer Identification Number

545-13-6755

Kind of Tax

INCOME

[x] Copy to Authorized Representative

Martin A. Schainbaum, Esq. 351 California Street, suite 800 San Francisco, CA 94104

DEFICIENCY

Tax Year Ended

Tax Increase

Penalties

December 31, 2000 

\$26,231,835.00

6662(a) \$5,246,367.00

Total(s)

\$26,231,835.00

\$5,246,367.00

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest. Also, I waive the requirement under section 6532(a)(1) of the Internal Revenue Code that a notice of claim disallowance be sent to me by certified mail for any overpayment shown on the attached report.

I understand that the filing of this waiver is irrevocable and it will begin the 2-year period for filing suit for refund of the laims disallowed as if the notice of disallowance had been sent by certified or registered mail.

Your Signature —	mail of certified or registered mail	I.
Spouse's Signature	(Signature)	
Was Filed)	/Sia	(Date signed)
Taxpayer's Representative	(Signature)	
Sign Here	(Signature)	(Date signed)
	(For instruction)	(Date signed)
If you agree, please sign	(For instructions, see next page) one copy of this form and return is the	(Laute Signed)

If you agree, please sign one copy of this form and return it; keep the other copy for your records.



#### Instructions for Form 5564-A



If you consent to the assessment of the deficiencies shown in this waiver, please sign and return this form to limit the interest charge and expedite our bill to you. Please do not sign and return any prior notices you may have received. Your consent signature is required on this waiver, even if fully naid

Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are so either action.

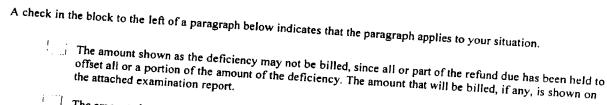
If you later file a claim and the Service disallows it, you may file suit for refund in a District Court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

#### Who Must Sign:

If you filed jointly, both you and your spouse must sign. Your attorney or agent may sign this waiver provided that action is specifically authorized by a power of attorney which, if not previously filed, must accompany this form.

If this waiver is signed by a person acting in a fiduciary capacity (for example, an executor, administrator, or a trustee), Form 56, Notice Concerning Fiduciary Relationship, should, unless previously filed, accompany this form.

#### Optional Paragraphs



The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.





Department of the Treasury-Internal Revenue Service Form 4549-A (Rev. March 2005) Income Tax Discrepancy Adjustments Name and Address of Taxpayer Taxpayer Identification Number Return Form No.: Thomas J. Gonzales 545-13-6755 134 Lakes Blvd. 1040 Person with whom Dayton NV 89403 Name and Title: examination changes were discussed. Thomas J. Gonzales 1. Adjustments to income Period End Period End a. Capital Gain or Loss Period End 12/31/2006 12/31/2001 b. Itemized Deductions 130,931,487.00 c. State Tax Refund 452,182.00 1,986,369.00 143,773.00 f. g. ħ. m. n. ο. 2. Total Adjustments 3. Taxable income Per Return or as Previously Adjusted 131,383,669.00 2,130,142.00 4. Corrected Taxable Income 157,644.00 (8,757,573.00) 131,541,313.00 Tax Method (6,627,431.00) Filing Status SCHEDULE D TAX TABLE 5. Tax Single Single 6. Additional Taxes / Alternative Minimum 26,406,046.00 0.00 7. Corrected Tax Liebility 0.00 8. Less 26,406,046.00 0.00 Credits b. C. 9. Belance (Line 7 less total of Lines 8a thru 8d) 26,406,046.00 10. Plus 0.00 Other b. Taxes C: 11. Total Corrected Tax Liability (Line 9 plus Lines 10e thru 10d) 12. Total Tax Shown on Return or as Previously Adjusted 26,406,046.00 0.00 13. Adjustments to: s. 174,211.00 0.00 b. 14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a thru 13d) 26,231,835.00 15. Adjustments to Prepayment Credits-Increase (Decrease) 16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties) 26,231,835.00 0.00



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	STORY OF	2

Form 4549-A Department of the Treat	sury-Internal Revenue Service	The state of the s	
(Nev. Maich 2005) Income lax Discr	epancy Adjustments		Page 2 of 2
Name of Taxpayer Thomas J. Gonzales	Taxpayer Identification 545-13-67	1 Number	Return Form No.:
17. Penalties/ Code Sections	Period End	Period End	1040
8. Accuracy-IRC 6662	12/31/2008	12/31/2001	Period End
b.	5,246,367.00		
C.	3,240,367:00		
d.	1		
•			
•			
α.			1
h.	į į		1
1			1
 1			
j. L			
i.	1 1		i
•	1 1		1
m. -			}
n.	1		
18. Total Penalties			
Underreporter attributable to negligence: (1981-1987)	5,246,367.00		
THE WAY BUT UNITED IN THE PROPERTY	1		
Underraporter attributable to 4			
A tax addition of 50 percent of the interest due on the underpayment will accrue until it is peld or assessed.	1 1		
Underraporter attributable to Tour Maria			1
Underraporter attributable to Tax Motivated Transactions (TMT). Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 8824(a).			
rate in accordance with IRC 6621(c).	0.00	0.0	, ,
. Summary of Taxes, Penalties and Interest:		0.0	, 0
Balance due or (Overpsyment) Taxes - (Line 16, Page 1)			
" Official (Line 18) - Computed to 11/20/2006	26,231,835.00	0.0	ار
Interest (IRC § 6601) - computed to 13/20/2005	5,246,367.00	0.0	1
· IMI Interest - computed to 12/20/2006	0.00	0.0	ol
. Amount due or refund - (sum of Lines a, b, c and d)	,,	0.0	ol
her information:	31,478,202.00	0.00	

Examiner's Signature: Name			
Paul Doerr	Employee ID:	Office:	Date:
The Internal Revenue Service has agreements with	68-11438	Sacramento	11/20/2006

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filling the necessary

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid are it has been assessed and four notices have been issued to you over a 120-day period.

www.irs.gov

Form 4549-A (Rev. 3-2005)

0.00





Name of Taxpayer:	Thomas J. Gonzales		
Identification Number:		T-4-1	11/20/2006
		Total	7.20.00

#### - FORM 6251 - ALTERNATIVE MINIMUM TAX COMPUTATION 2000

<ol> <li>Total Adjustments and Preferences</li> <li>Tax Table Income (from Form 1040, line 37)</li> <li>Net Operating Loss Deduction</li> <li>Itemized Deduction Limitation (from Schedule A Worksheet)</li> </ol>	61,245.00 131,541,313.00 0.00
5. Combine lines 1 through 4	(\$36,389.00)
Alternative Tax Net Operating Loss Deduction     Alternative Minimum Taxable Income     Exemption Amount	131,566,169.00 0.00 131,566,169.00
9. Subtract line 8 from line 7 (if 0 or less, enter 0)	0.00
<ul><li>10. If line 9 is \$175,000 or less (\$87,500 or less if married filing separate) multiply line 9 by 26%</li><li>11. Alternative Minimum Tax Foreign Tax Credit</li></ul>	26,360,748.00
• · · · · · · · · · · · · · · · · · · ·	0.00
12. Tentative Minimum Tax (Subtract 11 form 10) 13. Regular Tax Before Credits (less Foreign Tax Credit) 14. Alternative Minimum Tax (before credit) 15. Empowerment Zone Employment Credit	26,360,748.00 26,406,046.00 0.00 0.00
16. Net Alternative Minimum Tax (line 14 less line 15)	

#### EXEMPTION WORKSHEET (Line 8)

A. Exemption amount based on filing status	
B. Alternative Minimum Tayable Income (line 7)	33,750.00
C. Enter \$112,500 (\$150,000 if married filing leights as	131,566,169.00
qualitying widow(er), \$75,000 if married filing concents)	112,500.00
D. Subtract line C from line R	
E. Multiply line D by 25%	131,453,669.00
F. Subtract line E from line A (If zero or less, enter 0)	32,863,417.00
the management of	0.00







Name of Taxpayer: Thomas J. Gonzales Identification Number: 545-13-6755 11/20/2006 Total 7.20.00

#### - FORM 6251 - CONTINUATION, USING MAXIMUM CAPITAL GAINS RATES COMPUTATION OF LINE 10 WHEN SCHEDULE D IS COMPLETED 2000

THE TO WHEN SCHEDULE DIS COMPLETED	
1. Amount from Form 6251 Report, line 9	
	131,566,169.00
Amount from Schedule D Report, line 22 (refigured for AMT)     Amount from Schedule D Report, line 22.	
3. Amount from Schedule D Report, line 22 (refigured for AMT) 4. Add line 2 and 3.	130,928,487.00
	0.00
5. Amount from Schedule D Report, line 17 (refigured for AMT)	130,928,487.00
refigured for AMT)	130,928,487.00
6. Smaller of line 4 or line 5	130,526,487.00
7. Subtract line 6 from line 1	130,928,487.00
8. If line 7 is \$175,000 or less (\$87,500 if MFS) multiply	637,682.00
line 7 by 26%. Otherwise, multiply line 7 by 28% and	057,082.00
subtract \$3,500 (\$1,750 if MFS) from result	
9. Amount from Schedule D Report, line 31	175 051 00
10. Smallest of line 1, 2, or line 9	175,051.00
The state of mile 1, 2, or line 9	0.00 0.00
11. Multiply line 10 by 10%	0.00
12. Smaller of line 1 or line 2	0.00
13. Amount from line 10	0.00
14. Subtract line 12 from 11	130,928,487.00
14. Subtract line 13 from line 12 (not less than 0)	0.00
15 Multiply line 44 by one	130,928,487.00
15. Multiply line 14 by 20% 18. Amount from line 1	
17. Add lines 7. 40.	26,185,697.00
17. Add lines 7, 10, and 14	131,566,169.00
18. Subtract line 17 from line 16	131,566,169.00
10 Multiple item and a service	0.00
19. Multiply line 18 by 25%	
20. Add lines 8, 11, 15, and 19	26 260 7 0.00
21. If line 1 is \$175,000 or less (\$87,500 if MFS) multiply	26,360,748.00
subtract \$3,500 (\$1,750 If MFS) from result	
	36,835,027.00
22. Smaller of line 20 or 21, enter here and on	
line 10 of Form 6251 Report	26,360,748.00





Total



Name Of Taxpayer: Thomas J. Gonzales Identification Number: 545-13-6755

11/20/2006 7.20.00

#### 2000 - SCHEDULE A - ITEMIZED DEDUCTIONS

1. Medical, dental and insurance premiums 2. 7.50% of Adjusted Gross Income 3. Net Medical and Dental Expense	PER RETURN 0.00 46,419.00 0.00	9,866,281.00	ADJUSTMENT 0.00
4. Taxes 5. Home Interest Expense 6. Investment Interest 7. Other Interest Expense 8. Total Interest Expense 9. Contributions 10. Casualty and theft Losses 11. Miscellaneous deductions subject to AGI limit	34,345.00	0.00	0.00
	0.00	34,345.00	0.00
	0.00	0.00	0.00
	141.00	0.00	0.00
	141.00	141.00	0.00
	11,000.00	141.00	0.00
	0.00	11,000.00	0.00
	442,870.00	0.00	0.0
<ul> <li>12. 2.00% of Adjusted Gross Income</li> <li>13. Excess Miscellaneous deductions</li> <li>14. Other Miscellaneous</li> </ul>	12,378.00 430,492.00	442,870.00 2,631,008.00 0.00	0.00 430,492.00
deductions 15. Total itemized deductions (Sum of Lines 3, 4, 8, 9,10,13, and 14 less any applicable limitation)	0.00	0.00	0.00
	461,279.00	9,097.00	452,182.00

#### ITEMIZED DEDUCTIONS WORKSHEET - PER EXAM

A. Total of lines 3, 4, 8, 9, 10, 13, and 14 B. Total of lines 3, 6, 10, (plus any gambling losses included on line 14) C. Line A less Line B D. Multiply the amount on line C by 80% E. Adjusted Gross income from Form 1040 F. Itemized Deduction Limitation G. Line E less Line F H. Multiply the amount on Line G by 3% I. Enter the smaller of Line D or Line H J. Total Itemized Deduction	45.486.00 0.00 45.486.00 36,389.00 131.550.410.00 128,950.00 131.421.460.00 3.942.644.00
J. Total Itemized Deductions (entered on line 15 above)	3.942.644.00 36,389.00 9,097.00





Name Of Taxpayer: Thomas J. Gonzales Identification Number: 545-13-6755

Total

11/20/2006 7.20.00

#### 2001 - SCHEDULE A - ITEMIZED DEDUCTIONS

Medical, dental and	PER RETURN	PER EXAM	ADJUSTMENT
insurance premiums  2. 7.50% of Adjusted Gross	0.00	0.00	0.00
Income 3. Net Medical and Dental	0.00	0.00	
Expense 4. Taxes	0.00 203,555.00	0.00 203,555,00	0.00 0.00
5. Home Interest Expense 6. Investment interest	6,418.00 0.00	6.418.00 0.00	0.00 0.00 0.00
7. Other Interest Expense 8. Total Interest Expense 9. Contributions	141.00 6,559.00	141.00 6,559.00	0.00 0.00 0.00
10. Casualty and theft Losses 11. Miscellaneous deductions	0.00 0.00	0.00 0.00	0.00 0.00 0.00
subject to AGI limit  12. 2.00% of Adjusted Gross	1,986,369.00	0.00	1,986,369.00
13. Excess Miscellaneous	0.00	0.00	
deductions 14. Other Miscellaneous	1,986,369.00	0.00	1,986,369.00
deductions 15. Total itemized deductions (Sum of Lines 3, 4, 8, 9,10,13, and 14 less any applicable limitation)	0.00 2,196,483.00	0.00 210,114.00	0.00 1,986,369.00

#### ITEMIZED DEDUCTIONS WORKSHEET - PER EXAM

A. Total of lines 3, 4, 8, 9, 10, 13, and 14  B. Total of lines 3, 6, 10, (plus any gambling losses included on line 14)	210.114.00
C. Line A less Line B	0.00
D. Multiply the amount on line C by 80%	210,114.00
E. ACIUSIOC GIOSE Income from Form 40.40	168,091.00
F. Itemized Deduction Limitation	(6,414,417.00)
G. Line E less Line F	
Li fa.m	132,950.00
H. Multiply the amount on Line G by 3%	0.00
I. Effer the smaller of Line Dior Line Li	0.00
J. Total itemized Deductions (entered on line 15 above)	
(circled on line 15 above)	0.00
	210,114.00







Name of Taxpayer: Identification Number: 545-13-6755

Thomas J. Gonzales

Total

11/20/2006 7.20.00

#### 2000 - SCHEDULE D - CAPITAL GAINS AND LOSSES

Short-term capital gain or loss	
2. Short-term capital loss carryover	(1,593,009.00)
3. Net Short-term Gain or Loss (Add line 1 and 2)	0.00
4. Long-term capital gain or loss	(1,593,009.00)
5. Long-term capital gain or loss carryover	132,521,496.00
6. Net long-term Gain or Loss (Add line 4 and 5)	0.00
7. Sum of lines 3 and 6 - Net Capital Gain or Loss	132,521,496.00
8. Capital loss limitation	130,928,487.00
9. Capital Gain or Loss - As Corrected	0.00
10. Capital Gain or Loss - Per Return	130,928,487.00
11. Line 9 less line 10 - Adjustment to Income	(3,000.00)
Adjustment to income	130,931,487.00
CORRECTED CARRYOVER	
12. Short-term Carryover to Subsequent Year	
13. Long-term Carryover to Subsequent Year	0.00
	0.00
COMPUTATION OF ALTERNATE TAX	
14. I axable Income	131 541 313 00
15. Smaller of line 6 or line 7	131,541,313.00
16. Form 4952, line 4e	130,928,487.00
17. Subtract line 16 from line 15	130,028,487,00
18. Combine line 3 and Total 28% Rate Gain (not large than a)	130,928,487.00
19. Officially Of Mile 16 BOO LOTAL 28% Rate Cale	0.00
20. Unrecaptured Section 1250 Gein	0.00
21. Add line 19 and 20	0.00
22. Subtract line 21 from line 17 (not less than 0)	0.00
40. Subvect fine 22 from line 14 (not lose then 0)	130,928,487.00
49. Straiger of line 14 or 26 250 do	612,826.00
25. Smaller of line 23 or line 24	26,250.00 26,250.00
26. Subtract line 17 from line 14 (not less than 0)	612,826.00
4/ Larger of line 25 or line 28	612,826.00
28. Tax on amount on line 27	220,349.00
29. Amount from line 24	26,250.00
30. Amount from line 23	612,826.00
31. Subtract line 30 from line 29 (not less than 0)	0.00
32. Multiply line 31 by 10%	0.00
33. Smaller of line 14 or line 22 34. Amount from line 31	130,928,487.00
35. Subtract the 24 formula	0.00
35. Subtract line 34 from line 33 (not less than 0) 36. Multiply line 35 by 20%	130,928,487.00
37. Smaller of line 17 or line 20	26,185,697.00
38. Add lines 17 and 27	0.00
39. Amount from line 14	131,541,313.00
40. Subtract line 39 from line 38	131,541,313.00
41. Subtract line 40 from line 37	0.00
42. Multiply line 41 by 25%	0.00
43. Amount from line 14	0.00
44. Add lines 27, 31, 35, and 41	131,541,313.00
45. Subtract line 44 from line 43	131,541,313.00
46. Multiply line 45 by 28%	0.00
47 Add lines 29 22 26 40 40 40 40	0.00
47. Add lines 28, 32, 36, 42, and 46 - Alternative Tax	26,406,046. <b>00</b>
	40,700,040. <b>00</b>







Name of Taxpayer: Thomas J. Goldentification Number: 545-13-6755	nzales Total	11/20/2006 7.20.00
2001 - SCHEDUL	E D - CAPITAL GAINS AND LOSSES	
1. Short-term capital gain or loss		(174,559.00)
2. Short-term capital loss carryove	r	0.00
3. Net Short-term Gain or Loss (Ad	id line 1 and 2)	(174,559.00)
4. Long-term capital gain or loss		5,682.00
5. Long-term capital gain or loss co	аттуочег	0.00
6. Net long-term Gain or Loss (Add	l line 4 and 5)	5,682.00
7. Sum of lines 3 and 6 - Net Capit	al Gain or Loss	(168,877.00)
o. Capital loss limitation		(3,000.00)
9. Capital Gain or Loss - As Correct	eted	(3,000.00)
10. Capital Gain or Loss - Per Retur	n .	(3,000.00)
11. Line 9 less line 10 - Adjustment	to Income	0.00
CORRECTED CARRYOVER		
12. Short-term Carryover to Subsequ	uent Year	(168 877 00)
13. Long-term Carryover to Subsequ	ent Year	(168,877.00)
COMPUTATION OF ALTERNA	TIVE TAX	
14. Unrecaptured 1250 gain		
15. Taxable Income		0.00
16. Smaller of line 6 or line 7		(6,627,431.00) (168,877.00)
17. Form 4952, line 4e		2,499,876.00
18. Subtract line 17 from line 16 (not	less than 0)	0.00
<ul><li>19. Subtract line 18 from line 15 (not</li><li>20. Tax on the amount on line 19</li></ul>	less than 0)	0.00
21. Smaller of line 15 or		0.00
22. Amount from line 19	27,050.00	0.00
23. Subtract line 22 from line 21 (not	less than 0)	0.00
4. Qualmed 5-year gain	out that of	0.00
25. Smaller of line 23 or line 24		0.00
8. Multiply line 25 by 8%		0.00
7. Subtract line 25 from line 23		0.00
8. Multiply line 27 by 10%		0.00
9. Smaller of line 15 or line 18 0. Amount from line 23		0. <b>00</b> 0. <b>00</b>
1. Subtract line 30 from line 29 (not le	th 0)	0.00
2. Multiply line 31 by 20%	ess than U)	0.00
3. Alternative Tax, sum of lines 20, 20	3 28 and 22	0.00
20, 20	J, 20, and 32	0.00







Taxpayer:	Thomas J. Gonzales		
TIN:	545-13-6755	Page of	
		Tax Period(s):	200012

#### Accuracy-Related Penalties under IRC 6662

#### 20 Percent Penalty - Internal Revenue Code Section 6662(a)

It has been determined that the underpayment of tax shown on line 7 below is attributable to one or

- (1) Negligence or disregard of rules or regulations;
- (2) Substantial understatement of income tax;
- (3) Substantial valuation misstatement (overstatement).

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

solution by Section 6662(a) or the Internal Revenue Code.	
Total Underpayment	
Less: Underpayment attributable to non-penalty issues	26,231,835.00
Less: Underpayment attributable to Section 6662A penalty issues	0.00
Less: Underpayment attributable to Section 6662(h) penalty issues	0.00
Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(a) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	0.00
8. Applicable penalty rate	26,231,835.00
9. Section 6662(a) accuracy-related penalty (Line 7 times line 8)	20.00%
10. Less: Previously assessed/previously agreed Section 6662(a) accuracy-related penalty	5,246,367.00
11. Total section 6662(a) accuracy-related penalty (Line 9 less line 10)	0.00
constant perialty (Line 9 less line 10)	5,246,367.00
ercent Penalty - Internal Revenue Code Section 6662(h)	
has been determined that the underpayment of tax shown on line 7 below is attributable to a	

#### 40 Pe

It has been determined that the underpayment of tax shown on line 7 below is attributable to a gross valuation misstatement (overstatement). Therefore, an addition to tax is imposed as provided by Section 6662(h) of the Internal Revenue Code.

Total Underpayment	
<ol><li>Less: Underpayment attributable to non-penalty issues</li></ol>	26,231,835.00
Less: Underpayment attributable to Section 6662A penalty issues	0.00
Less: Underpayment attributable to Section 6662(a) penalty issues	0.00
Less: Underpayment attributable to civil fraud penalty issues	26,231,835.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(h) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	0.00
8. Applicable penalty rate	0.00
Section 6662(h) accuracy-related penalty (Line 7 times line 8)	40.00%
10. Less: Previously assessed/previously agreed Section 6662(h) accuracy-related penalty	0.00
11. Total section 6662(h) accuracy-related penalty (Line 9 less line 10)	0.00
=	0.00





Form 886A		
1 LOUI GOOV	Department of the Treasury-Internal Revenue Service  Explanation of Items	Schedule No. or
Name of Taxpayer	Explanation of Items	Exhibit
- varice of Taxpayer		Year/Period Ended
Thomas J Gon	zales, Decd	2000-12 & 2001-
***		12

Line Item 1.a. on Form 4549A - Capital Gain or Loss

 Year
 Per Return
 Per Exam
 Adjustment

 2000
 (\$3,000)
 \$130,928,487
 \$130,931,487

A. It has been determined that the capital loss for taxable year 2000 from the acquisition and disposition of U.S. Treasury Bonds is disallowed because the amount realized on the disposition of the U.S. Treasury Bonds is equal to the basis in the U.S. Treasury bonds. See Exhibit A. (Sch. Dworksheet)

The bases for our determination reflected in 1.a.A. are as follows:

- 1. It is determined that you are not entitled to the loss claimed because the amount you realized from the disposition of your purported interest in the U.S. Treasury bonds was not less than your basis in that interest. Under § 1.1001-2(a) of the Income Tax Regulations, the amount realized from the disposition of your purported interest in the U.S. Treasury bonds includes the amount of the purported liabilities from which you were relieved as a result of the disposition. The amount of the purported liabilities from which you were relieved is not limited to the face amount (or stated principal amount) of the Note. Rather, the amount of the purported liabilities from which you were relieved, which is included in your amount realized, is generally equal to the issue price adjusted issue price) of the Note. (See § 1273(b)3) and § 1.1275-1(b) to determine the issue price and adjusted issue price of the Note.) As a result, you did not realize a loss in the amount claimed on the disposition of your purported interest in the U.S. Treasury bonds because your amount realized was approximately equal to your basis
- 2. It is determined that you have not established that you are entitled to the loss claimed under the Internal Revenue Code and regulations thereunder, including but not limited to § 165 and § 465.





Form 886A		
10m 0007	Department of the Treasury-Internal Revenue Service Explanation of Items	Schedule No. or
Name of Taxpayer		Exhibit
		Year/Period Ended
Thomas J Gonzales, Decd		2000-12 & 2001-
		12

- 3. It is determined that you have not established that the transfer of your purported interest in the U.S. Treasury bonds was a taxable transaction.
- 4. It is determined that the transactions giving rise to the claimed loss are not respected for federal income tax purposes because they lack economic substance.
- 5. It is determined that the substance of the underlying transactions, as opposed to the form, does not entitle you to the claimed loss.
- In additional you have failed to establish the claimed losses for the following items: Xingmail, Swing solutions and Auto Parts, etc.

We have also adjusted the amount of your capital loss carryover to the 2001 tax year as shown in the following computation: See attached Exhibit B. (Sch D. Worksheet).

Short-term Capital Loss Carryover Available for subsequent years:

Carryover per 2001 tax return As corrected, carryover amount \$11,070,513 \_\_\_\_ Adjustment \$11,070,513

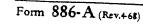
Line Item 1.b. on Form 4549A - Itemized Deductions

Year	Per Return	D	
2000	\$461,279	Per Exam	Adjustment
2001	\$2,196,483	\$9,097	\$452,182
	7-7200,403	\$210,114	\$1.986.369

We have adjusted your itemized deductions as shown in the accompanying computations. Exhibits C and D. (Sch. A worksheets)

In 2001 you have failed to substantiate the claimed \$1,986,369 of miscellaneous expenses.

Overall Limitation: An individual whose adjusted gross income exceeds a threshold amount must reduce the amount of allowable



Form 886A Department of	of the Treasury-Internal Revenue Service	
of Taxpayer	anation of Items	Schedule No. or Exhibit
Thomas J Gonzales, Decd		Year/Period Ended
itemized deductions by the	aree perge	2000-12 & 2001- 12

itemized deductions by three percent of the excess over the threshold amount. The 2000 threshold is \$128,950 for filing status single. The 2001 threshold is \$132,950 for filing status single.

Line Item 1.c. on Form 4549A - State Tax Refund

Year Per Return 2001 (\$143,773) Per Exam Adjustment

The deduction claimed for State Tax Refund is not applicable due to the adjustments in this report.

Line Item 6. on Form 4549A - Alternative Minimum Tax

Year Per Return \$78,993 Per Exam Adjustment

Due to the adjustments in this report AMT is not applicable in

Line Item 17.a on Form 4549A Accuracy-related Penalty

Year Penalty 2000 \$5,246,367

Since the underpayment of tax required to be showed on the returns for the taxable year 2000 is attributable to negligence or disregard of rules and regulations and is a substantial understatement of tax, an accuracy-related penalty is charged for the taxable year 2000, as provided by section 6662(a) of the Internal Revenue Code. See Exhibits F. (Accuracy Related

It should not be inferred by the determination of the Accuracy-Related Penalty in this notice that fraud penalties will not be sought on any portion an underpayment subsequently determined to be attributable to fraud or that prosecution for criminal offenses will not be sought under Internal Revenue Code Section 7201, 7206 or other provisions of federal law if determined to be appropriate.

1



Department of the Treasury internal Revenue Service

Notice 1214 (Rev. 4-2 Catalog Number 26

# Helpful Contacts for Your "Notice of Deficiency"

Do you have questions/concerns about this "Notice of Deficiency?" First contact the person whose name and telephone number appear at the top of your letter. This get answers.

Do your mand.

Do you want assistance by a Taxpayer Advocate? This assistance is not a substitute for established IRS procedures, formal Appeals processes, etc. The Taxpayer Advocate cannot reverse legal or technically correct tax determinations, nor extend the time allowed by law to file a petition in the U.S. Tax Court. However, the Taxpayer Advocate can give through normal channels. You can call toil free 1-877-777-4778 and ask for Taxpayer Advocate assistance, or call the telephone below that issued this "Notice of Desiciency."

Birmingham Office
Taupayer Advocate
1 Tom Martin Dr.
Immingham, AL 35211
(205) 912-5631

ALASKA
Anchorage Office
Taupayer Advocate
949 East 36th Ave., Stop A-405
Anchorage, AK 99508
(907) 271-6877

ARIZONA
Pheenix Office
Taxpayer Advocate
210 E. Earli Drive, Stop 1005-PHX
Phoenix, AZ 85012
(602) 207-8240

ARKANSAS
Little Rock Office
Taxpayer Advocate
700 West Capitol St, Stop 1005-LIT
501) 324-6269

ALIFORNIA Iguna Mguel O mice spayer Advocate 100 Avila Road-Room 3362 Una Niguel, CA 92677 1) 389-4804

Angeles Office aver Advocate 1. Los Angeles St. 5710 Room 5109 18eles, CA 90012 Oakland Office Tampayer Advocate 1301 Clay St. #1540S Oakland, CA 94512 (510) 637-2703

Sacramento Office Taxpayer Advocate 4330 Watt Ave. N. Highlands, CA 95660 (916) 974-5007

San Jose Office
Taxpayer Advocate
55 S. Murket St., Stop HQ000.4
San Jose, CA 95113
(408) 817-6850

COLORADO
Denver Office
Taxpayer Advocate
600 17th St., Stop 1005-DEN
Denver, CO 80202-2490
(303) 446-1012

CONNECTICUT
Hartford Office
Taxpayer Advocate
135 High St., Stop 219
Hartford, CT 06103
(860) 756.4555

DELAWARE
Wilmington Office
Taxpayer Advocate
409 Silverside Rd.
Wilmington, DE 19809
(302) 791-4502

DISTRICT OF COLUMBIA
Baltim ore Office
Taxp ayer A dvocate

3 i Hopkins Plaza Room 940 Baltanore, MD 21201 (410) 962-2082

FLORIDA
Ft. Lauder dale Office
Taypayer Advocate
7850 SW 6th Court
Plentation, FL 33324
(954) 423-7677

Jacksenville Office
Taup ayer Advocate
841 Prudential Dr., Suite 100
Stop: TA:SE/INT:JAX
Jacksonville, FL 32207
(904) 665-1000

GEORGIA
Atlanta Office
Taxpayer Advocate
401 W. Peachtres St., NW,
Summ it Building
Stop 202-D
Atlanta, GA 30308
(404) 338-8089

HAWAII Honolulu Office Taxpayer Advocate Stop H-405 300 Ala Mcana Bivd, #50089 (808) 539, 2870

IDAHO
Bolse Office
Tampayer Advocate
550 West Fort St., Box 041
Bolse, ID 83724
(208) 334.1324

ILLINOIS
Chicago Office
Tappayor Advocate
230 S. Dearborn St.
Stop 1005-CH1
Chicago, IL 60604
(312) 566-3800

Springfield Office Taxpayer Advocate 320 W. Washington St. Stop 1005-SPD Springfield, IL 62701 (217) 527-6382

INDIANA
Indianapolis Office
Taxp ayer Advocate
575 N. Pennsylvania St., Stop TA770
(317) 226-6332

Des Moines Office
Taxpayer Advocate.
210 Walnut St., Stop 1005. DSM
Des Moines, 1A 50309
(515) 284.4780

KANSAS Wichta Office Texpayer Advocate 271 W. 3rd St., North Stop 1005-WIC Wichita, KS 67202 (316) 352-7506

KENTUCKY Louisville Office Taxpayer Advocate 600 Dr. MLK H. Place Federal Building-Room 622 Louisville, KY 40202 (502) 582-6030

LOUISIANA
New Orleans Office
Taxpayer Advocate
600 South Massri PI, Stop 2
(504) 558-3001

MAINE
Augusta Office
Taxpayer Advocate
68 Sewall St., Room 313
Augusta, ME 04330
(207) 622-8528

MARYLAND
Baltimore Office
Tampayer Advocate
31 Hopkins Plaza Room 940
Baltimore, MD 21201
(410) 962-2082

MASSACHUSETTS
Boston Office
Taxpayer Advocate
25 New Sudbury St.
Boston, MA 22203
(617) 316-2690

MICHIGAN
Detroit Office
Taxpayer Advocate
McNamara Federal Building
477 Michigan Ave. Room 1745
Cetroit, MI 48226
(313) 628-3670

MINNESOTA St. Paul Office Taxpayer Advocate Stop 1005-STP 316 North Robert St. St. Paul, MN 55101 (651) 312-7999



Department of the Treasury Internal Revenue Service

Notice 1214 (Rev. 4-2003) Catalog Number 26162Z

MISSISSIPPI Jackson Office axpayer Advocate 100 W. Capitol St., Stop JK3 1 Jackson, MS 39269 (601) 292-4800

MISSOURI
St. Louis Office
Tempayer Advocate
Robert A. Young Building
1222 Spruce Street, Stop 1005-STL
St. Louis, MO 63103
(314) 612-4610

MONTANA Helena Office Taxpayer Advocate 10 West 15th St., Suite 2319 Helena, MT 59626 (406) 441-1022

NEBRASKA
Omaha Office
Taxpayer Advocate
1313 Farnam St., Stop 1005-OMA
Omaha, NE 68 102
(402) 221-4181

NEVADA Las Vegas Office Taxpayer Advocate 4750 West Oakey Blvd. Stop 1005-LVG Las Vegas, NV 89102 (702) 455-1241

NEW HAMPSHIRE Bortsmouth Office supayer Advocate ederal Office Building 30 Daniel St. Portsmouth, NH 03801 (603) 433-0571

NEW JERSEY Springfield Office Texpayer Advocate 955 S. Springfield Ave. Springfield, NJ 07081 (973) 921-4043

NEW MEXICO Albuquerque Office Taxpayer Advocate 533 B Montgomery Blvd. N.E. Stop 1005-ALB Albuquerque, NM 87109 (505) 837-5505

NEW YORK Alb any Office Taypayer Advocate Leo O'Brien Federal Building I Clinton Square Albany, NY 12207 (518) 427-5413

Brooklyn Office Taxpayer Advocate 10 Metro Tech Center 625 Fulton St. Brooklyn, NY 11201 (718) 438-2080

Buffalo Office
Tappayer Advocate
Como Park Blvd.
24ffalo, NY 14227
(716) 686-4850

Manhattan Office Taxpayer Advocate 290 Broadway - 7th Floor New York, NY 10007 (212) 436-1011

NORTH CAROLINA Greensbero Office Taxpayer Advocate 320 Federal Place, Room 125 Greensboro, NC 27401 (336) 378-2180

NORTH DAKOTA
Fargo Office
Tempayer Advocate
657 2nd Ave, N., Stop 1005-FAR
Fargo, ND 58102
(701) 239-5141

OHIO Channati Office Texpayer Advocate 550 Main St., Room 3530 Cincimati, OH 45202 (513) 263-3260

Cleveland Office Tappayer Advocate 1240 E. Ninth St., Room 423 Cleveland, OH 44199 (216) 522-7134

OKLAHOMA
Oklahoma City Office
Tappayer Advocate
55 N. Robinson, Stop 1005-OKC
Oklahoma City, OK 73 102
(405) 297-4055

OREGON
Portland Office
Taxpayer A dvccate
1220 S.W. 3rd Ave., Stop O-405
Portland, OR 97204
(503) 326-2333

PENNSYLVANIA Philadelphia Office Tampayer Advocate 600 Arch St., Room 7426 Philadelphia, PA 19106 (215) 861-1304

Pittsburgh Office Texpayer Advocate 1000 Liberty Ave., Room 1602 Pittsburgh, PA 15222 (412) 395-5987

RHODE ISLAND Providence Office Tampayer Advocate 380 Westminster St. Providence, RI 02903 (401) 525-4200

SOUTH CAROLINA Columbia Office Taxpayer Advocate 1335 Assembly St. 466 Columbia, SC 29201 (803) 253-3029

SOUTH DAKOTA Aber deen Office Taxpayer Advocate 115 4th Ave. Southeast Stop 1005-ABE Aberdeen, SD 57401 (605) 226-7248 TENNESSEE Nashville Office Taxpayer Advocate 801 Broadway, Stop 22 Nashville, TN 37203 (615) 250-5000

TEXAS
Austin Office
Taxpayer Advocate
300 E. 8th St., Stop 1005-AUS
Austin, TX 78701
(512) 499-5875

Dallas Office Taxpayer Advocate 1114 Commerce St 10th Floor MC1005 Dallas, TX 75242 (214)413-6500

Houston Office Taxpayer Advocate 1919 Smith St., Stop 1005-HOU Houston, TX 77002 (713) 209-3660

UTAH
Salt Lake City Office
Taupayer Advocate
50 South 200 East, Stop 1005-SLC
Salt Lake City, UT 84111
(801) 799-6958

VERMONT
Burlington Office
Taxpayer Advocate
Courthouse Plaza
199 Main St.
Burlington, VT 05401
(802) 860-2089

VIRGINIA RICHMOND Office Taxpayer Advocate 400 North 8th St., Room 916 Richmond, VA 23240 (804) 916-3501

WASHINGTON Seattle Office Taxpayer Advocate 915 2nd Ave., Stop W-405 Seattle, WA 98174 (206) 220-6037

WEST VIRGINIA Parkersburg Office Taxpayer Advocate 425 Juliana St. Parkersburg, WV 26101 (304) 420-6616

Wisconsin
Milwaukee Office
Taxpayer Advocate
310 West Wisconsin Ave.
Stop 1005-MIL
Milwaukee, WI 53203
(414) 297-3046

WYOMING Cheyenne Office Taxpayer Advocate 5353 Yellowstone Rd. Stop 1005-CHE Cheyenne, WY 82009 (307) 633-0800 TAXPAYERS LIVING
ABROAD OR IN U.S.
TERRITORIES
A/C Internetional
Taxpayer Advocate
7 Taboraxos Street
San Patricio Office Building
Room 200
Guaynabo, Puerto Rico 00966
or
P.O. Box 193479
San Juan, Puerto Rico 00919-3479
(787) 622-8930 English
(787) 622-8940 Spanish

CENTERS Andever Center Taxpayer Advocate P.O. Box 9055, Stop 121 Andover, MA 01810-9055 (978) 474-5549

Atlanta Center
Taxpayer Advocate
P.O. Box 48-549, Stop 29A
Doraville, GA 30362
(770) 936-4500

Austin Center Taxpayer Advocate P.O. Box 934, Stop 1005-AUSC Austin, TX 78767 (512) 460-8300

Brookhaven Center Taxpayer Advocate P.O. Box 960, Stop 102 Holtsville, NY 11742 (631) 654-6686

Cincinnati Center Taxpayer Advocate P.O. Box 1235, Stop 11-G Cincinnati, OH 45201-1235 (859) 669-5316

Fresno Center Taxpayer Advocate P.O. Box 12161, Stop 1394 Fresno, CA 93776 (559) 442-6400

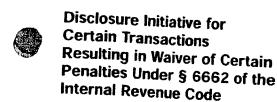
Kansar City Center Taxpayer Advocate P.O. Box 24551 Stop 1005 - ROE Kansas City, MO 64131 (816) 926-2493

Memphis Center Taxpayer Advocate P.O. Box 30309AMF, Stop 13M Memphis, TN 38130 (901) 395-1900

Ogden Center Taxpayer Advocate P.O. Box 1640 Stop 1005 Ogden, UT 84402 (801) 620-7168

Philadelphia Center Taxpayer Advocate P.O. Box 16053, DP #1300 Philadelphia, PA 19114 (215) 516-2499

# EXHIBIT C



## Announcement 2002-2

The Internal Revenue Service (IRS) announces a disclosure initiative to encourage taxpayers to disclose their tax treatment of tax shelters and other items for which the imposition of the accuracy-related penalty may be appropriate if

there is an underpayment of tax. If a taxpayer discloses any item in accordance with the provisions of this announcement before April 23, 2002, the IRS will waive the accuracy-related penalty under § 6662(b)(1), (2), (3), and (4) for any underpayment of tax attributable to that item

This disclosure initiative covers all items except items resulting from a transaction that (1) did not in fact occur, in whole or in part, but for which the taxpayer claimed a tax benefit on its return; (2) involved the taxpayer's fraudulent concealment of the amount or source of any item of gross income; (3) involved the taxpayer's concealment of its interest in, or signature or other authority over a financial account in a foreign country; (4) involved the taxpayer's concealment of a distribution from, a transfer of assets to, or that the taxpayer was a grantor of a foreign trust; or (5) involved the treatment of personal, household, or living expenses as deductible trade or business expenses.

## SCOPE OF THE WAIVER

Under this disclosure initiative, the IRS will waive the accuracy-related penalty under § 6662(b) for that portion of an underpayment attributable to the disclosed item and due to one or more of the following: (1) negligence or disregard of rules or regulations; (2) any substantial understatement of income tax; (3) any substantial or gross valuation misstatement under chapter 1 of the Code, except for any portion of an underpayment attributable to a net § 482 transfer price adjustment, unless the standards of § 6662(e)(3)(B) regarding documentation are met; and (4) any substantial overstatement of pension liabilities.

Disclosure under this initiative does not affect whether the IRS will impose, as appropriate, any other civil penalty that may be applicable under the Code or will investigate any associated criminal conduct or recommend prosecution for violation of any criminal statute.

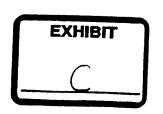
## PERIOD OF DISCLOSURE

The IRS will waive the accuracyrelated penalty if the taxpayer discloses the item before the earlier of (1) the date the item or another item arising from the same transaction is an issue raised during an examination, or (2) April 23, 2002. For purposes of this disclosure initiative, an item is an issue raised during an examination if the person examining the return (the examiner) communicates to the taxpayer knowledge about the specific item or on or before December 21, 2001, the examiner has made a request to the taxpayer for information, and the taxpayer could not make a complete response to that request without giving the examiner knowledge of the specific item.

### INFORMATION REQUIRED TO MAKE A DISCLOSURE

To disclose an item under this initiative, a taxpayer must provide the following:

- (1) A statement describing the material facts of the item;
- (2) A statement describing the taxpayer's tax treatment of the item;
- (3) The taxable years affected by the item;
- (4) If the taxpayer is a Coordinated Industry Case (CIC) taxpayer, a statement that the taxpayer will agree to address the disclosed item under the Accelerated Issue Resolution process described in Rev. Proc. 94-67 (1994-2 C.B. 800) if requested to do so by the IRS;
- (5) The names and addresses of (a) any parties who promoted, solicited, or recommended the taxpayer's participation in the transaction underlying the item and who had a financial interest, including the receipt of fees, in the taxpayer's decision to participate, and (b) if known to the taxpayer, any parties who advised the promoter, solicitor or recommender with respect to that transaction;
- (6) A statement agreeing to provide, if requested, copies of all of the following:
- (a) All transactional documents, including agreements, contracts, instruments, schedules, and, if the taxpayer's participation in the transaction was promoted, solicited or recommended by any other party, all material received from that other party or that party's advisor(s);





- (b) All internal documents or memoranda used by the taxpayer in its decision-making process, including, if applicable, information presented to the taxpayer's board of directors; and
- (c) All opinions and memoranda that provide a legal analysis of the item, whether prepared by the taxpayer or a tax professional on behalf of the taxpayer; and
- (7) A penalty of perjury statement that the person signing the disclosure has examined the disclosure and that to the best of that person's knowledge and belief, the information provided as part of the disclosure contains all relevant facts and is true, correct, and complete. In the case of an individual taxpayer, the declaration must be signed and dated by the taxpayer, and not the taxpayer's representative. In the case of a corporate taxpayer, the declaration must be signed and dated by an officer of the corporate taxpayer who has personal knowledge of the facts. If the corporate taxpayer is a member of an affiliated group filing consolidated returns, a penalties of perjury statement also must be signed, dated, and submitted by an officer of the common parent of the group. The person signing for a trust, a state law partnership, or a limited liability company must be, respectively, a trustee, general partner, or member-manager who has personal knowledge of the facts. A stamped signature is not permitted.

## PROCEDURE FOR MAKING THE DISCLOSURE

A CIC taxpayer must submit the disclosure information to the assigned team manager and send a copy of the information to the Office of Tax Shelter Analysis.

A non-CIC taxpayer not under examination as of December 21, 2001, must send the disclosure information to the Office of Tax Shelter Analysis.

A non-CIC taxpayer under examination as of December 21, 2001, must subthe disclosure information to the niner and send a copy of the information to the Office of Tax Shelter Analysis.

The address for the Office of Tax Shelter Analysis is LM:PFTG:OTSA, 1111 Constitution Ave, NW, Washington, DC 20224.

#### MISCELLANEOUS

The IRS is committed to considering and resolving disclosed items promptly. A taxpayer's disclosure of an item creates no inference that the taxpayer's tax treatment of the item was improper or that the accuracy-related penalty would apply if there is an underpayment of tax. Furthermore, taxpayers that do not disclose under this initiative are not prevented from demonstrating that they satisfy the reasonable cause exception § 6664(c) and the regulations thereunder with respect to any portion of an underpayment of tax.

## PAPERWORK REDUCTION ACT

The collection of information contained in this announcement has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. § 3507) under control number 1545–1764. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collection of information in this announcement is in the section titled INFORMATION REQUIRED TO MAKE A DISCLOSURE. This information is required to assess the item the taxpayer is disclosing under the initiative. This information will be used to determine whether the taxpayer has reported the disclosed item properly for income tax purposes. The collection of information is required to obtain the benefit described in this announcement. The likely respondents are businesses or other for-profit institutions, small businesses or organizations, and individuals.

The estimated total annual reporting burden is 450 hours.

The estimated annual burden per respondent varies from 2 hours to 4 hours, depending on individual circumstances, with an estimated average of 3 hours. The estimated number of respondents is 150.

The estimated frequency of responses is one time per respondent.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally tax returns and tax return information are confidential, as required by 26 U.S.C. § 6103.

### CONTACT INFORMATION

For further information regarding this announcement, contact Jozef Chilinski of the Office of Tax Shelter Analysis at (202) 283-8425 (not a toll-free call).



# EXHIBIT D-1

April 22, 2002

#### <u>Via Certified Mail</u> <u>Return Receipt Requested</u>

Internal Revenue Service
Office of Tax Shelter Analysis
LM:PFTG:OTSA
IIII Constitution Avenue N.W.
Washington, D.C. 20224

Re:

Announcement 2002-2 Disclosure Initiative
Tom Gonzales (as Personal Representative
for Thomas J. Gonzales; II)
Post Office Box 8486
Incline Village, NV 89452
SSN: 545-13-6755

Dear Sir or Madam:

This letter constitutes disclosure with respect to Thomas J. Gonzales. II ("Taxpayer"), now deceased, pursuant to Announcement 2002-2 (the "Announcement").

The Taxpayer's personal representative and trustee of the Taxpayer's Administrative Trust desire to participate in the disclosure initiative offered in Announcement 2002, 2002-2 Internal Revenue Bulletin. The following information is provided solely in exchange for a waiver of all (2), (3) and (4), or otherwise, for any underpayment of tax attributable to the item which is the subject of this disclosure. The Taxpayer's personal representative and trustee of the Taxpayer's Administrative Trust believes that the item disclosed herein was properly reported for income tax purposes and does not waive any rights with respect to the item. In any event, the undersigned has advised and does not believe that an accuracy-related penalty would apply to this transaction. The Taxpayer filed all required returns through calendar year 2000.

Pursuant to the Announcement, the Taxpayer's personal representative and trustee of the Taxpayer's Administrative Trust hereby provides the following information:

### 1. Material Facts.

The Taxpayer participated in an investment transaction pursuant to which he acquired certain U.S. Treasury bonds for which a public market exists using a premium loan financing arrangement. The Taxpayer later sold the U.S. Treasury bonds in a taxable transaction, subject to the premium loan indebtedness, to a third party, reporting





Internal Revenue Service April 22, 2002 Page 2

as the amount realized the face amount of the premium loan indebtedness and other consideration received.

The purchase of the U.S. Treasury Bonds involved full economic risk and interest rate risk to the Taxpayer in accordance with market price movements (up or down) and the fluctuation in market interest rates. The Taxpayer would realize either profits or losses based upon the price movements of the Treasury bonds and the movement in the relevant interest rates. The Taxpayer at all times was subject to market risks for both reward and loss.

## 2. Taxpayer's Treatment of the Foregoing Item.

Taxpayer claimed a capital loss of approximately \$135 million on his tax return ended December 31, 2000 in connection with the above-described transactions.

## 3. The Taxable Years Affected by the Item.

The tax year affected by the above-referenced transaction is the Taxpayer's tax year ended December 31, 2000.

### 4. Coordinated Industry Case.

Taxpayer was not a coordinated industry case taxpayer.

# 5. The Names and Addresses of Any Parties who Promoted, Solicited or Recommended the Taxpayer's Participation in the Transaction.

The following firm provided investment advice and introduced Thomas J. Gonzales, II to the transaction:

Presidio Advisory Services 333 Hayes Street, Suite 200 San Francisco, CA 94102

The following law firm provided a detailed tax opinion letter supporting the tax treatment of the investment:

Olson Lemons LLC 2825 East Cottonwood Parkway Suite 500 Salt Lake City, Utah 84121

## 6. The Undersigned Shall Provide, if Requested, Copies of All of the Following:







Internal Revenue Service April 22, 2002 Page 3

- A. All transactional documents, including agreements, contracts, instruments, schedules, and, if the Taxpayer's participation in the transaction was promoted, solicited or recommended by any other party, all material received from that other party or that party's advisor(s);
- B. All internal documents or memoranda used by the Taxpayer in its decision-making process, including, if applicable, information presented to the Taxpayer's board of directors; and
- C. All opinions and memoranda that provide a legal analysis of the item, whether prepared by the Taxpayer or a tax professional on behalf of the Taxpayer.

#### 7. Statement.

The undersigned is the personal representative of the estate of the Taxpayer and the trustee of the Taxpayer's Administrative Trust. Under penalties of perjury, the undersigned has examined the foregoing disclosure and to the best of the undersigned's knowledge and belief, the information provided as part of the disclosure contains all relevant facts and is true, correct and complete.

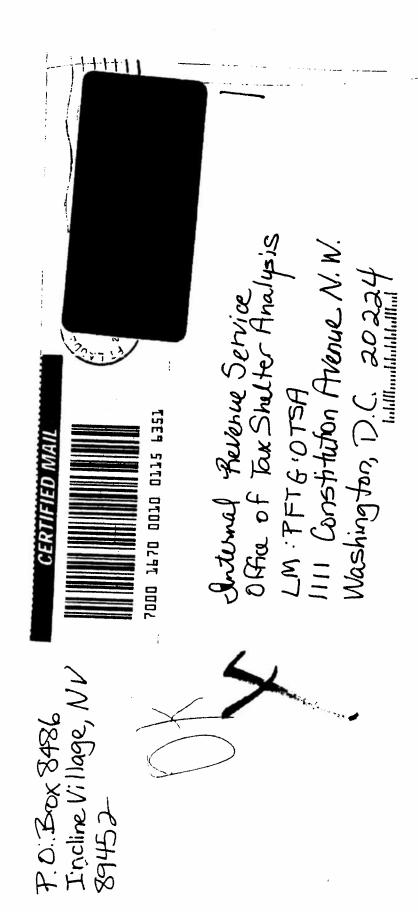
Sincerely,

Tom J. Gonzales, as

personal representative of the estate of Thomas Gonzales, II, and as trustee of the Administrative Trust of Thomas Gonsales, II

Enclosure 2931810\_1.DOC





# EXHIBIT D-2



#### . DEPARTMENT ÖF THE TREASURY INTERNAL REVENUE SERVICE WASHINGTON, D.C. 20224

August 14, 2002

Large and Mid-Size Business Division

MEMORANDUM FOR: Joseph R Brimacombe, Deputy Director Compliance Policy

FROM:

Frank Y. Ng, Director, Pre-Filing and Technical Guidance LM: PFT

SUBJECT:

Disclosure under Announcement 2002-2

am forwarding for your attention the attached Disclosure Statement of a potentially abusive

The disclosure indicates a transaction similar to a 100 - Unknown, , that has some of the characteristics of an abusive Tax Shelter. Debbie Patel -Program Analyst, has the coordination and assistance responsibility for this type of transaction. Please have your Team Manager responsible for this taxpayer, contact the Debbie Patel -Program Analyst at 202-

Upon the assignment of these disclosures/cases, please provide the following information to the Office of Tax Shelter Analyst: Group Code and Manager, the Territory Code and Manager, and the Area Number and Director to which the case is assigned.

The UIL code for CEMIS, RGS or BNA reporting is 9300.99-00, the AIMS source code is 17, the AIMS project code is 270 (Disclosure initiative) and the ERCS/SETTS tracking code is

The attached Disclosure Statement meets the requirements of the Announcement 2002-2. If complied with the remaining conditions of the Announcement 2002-2, the taxpayer qualifies for the waiver of the accuracy related penalties under § 6662.

If you have any questions concerning this matter, please contact Dave Harris, Manager, Office of Tax Shelter Analysis, at (202) 283-8386.

Attachments: AD02-1291

CC: Jonathan Zelnik

Jo Ann Prager Debbie Patel -Program Analyst Manager (Sally Mann-Wolfe)





and address

LAFAYETTE,

For	m 1040X (Rev. 11-98)	THOMAS J. C	GONZALES						545-1	L3-6755	Page 1
	If you are <b>not char</b> If claiming <b>more e</b> )	nging your exemption	, Form 1040A, or Form 1040 •s, do not complete this part. nes 25-31 and, if applicable, ines 25-30.			of exe	Original number reptions reported reviously adjusted	B. Net		C. Correct number of exemptions	t
	Yourself and spouse				25						
	Caution: If your parer	nts (or someone else) o	can claim you as a depender an exemption for yourself.								
26					26						
27	Your dependent child	ren who did not live wit	n you due to divorce/separat	ion	27			<u> </u>			·····
28					28						<del></del>
29 30	Multiply the number of	f exemptions claimed o	rough 28	đ	29						
	Tax	Exemption	But see the Instruction	ns if							
	<u>year</u> 1998	amount	the amount on line 1 is	over:							
	1997	\$2,700 2,650	\$93,400 90,900								
	199 <b>6</b> 199 <b>5</b>	2,550 2,500	88,475 86,025								
					30			<u> </u>			
31	Dependents (children	and other) not claimed	on original (or adjusted) retu l. (e) below. For tax years be	ım:	000				No. of your ch	ildren on	
	received tax year re-	oo, do not complete co		lore i	998,	do not	complete col. (d)	below.	line 31 who:		
-	(a) First Name La	ist Name	(b) Dependent's social security number. If bom in the tax year you are amending, see page 5			dent's to you	(d) check if qualifying child for child tax credit (see page 5)	(a) No. of months lived in your home	lived with y-	ou Þ	
					•			<del> </del>	and and make the con-		
	· · · · · · · · · · · · · · · · · · ·							<u> </u>	did not live you due to	divorce	
									or separation (see page 5		
_									Dependents	on line 31	
<i>₽</i> -	For tay year 1005 Have			L					not entered	above	
<b>52</b>	agreement, check here	our chilia listea on line 3	11 did not live with you but is	claime	ed as	your d	ependent under	a pre-1985		_	
P	art II Explanat	on of Changes t	o Income, Deduction	e ar	nd (	redit	<u> </u>			· · · · · · · · · · · · · · · · · · ·	<u>u</u>
	Enter the little support	ne number from the titing forms and sched	front of the form for each i ules for the items change ir name and social security	item y	ou a	re char	nging and give	the reason f ed informat	or each cha on, your Fo	inge. Attach oi rm 1040X may	nly be
WITIC	n the loss of credit occ	urred. See page 1 of th	ack or a general business co e instructions. Also, check h	ere .					-	<b>.</b>	<b>X</b>
1A	XPAYER IS CA	ARRYING BAC	K NET OPERATIN	IG I	JOS	S FI	ROM 2001	AS ADJ	USTED	PURSUAN'	г то
KE.	FUND CLAIM	SUBMITTED.	TAXPAYER UNDE	RSI	'AN	DS T	THAT THE	CARRYE	ACK OF	A 2001	NET
100	96, THEN 19	S IS TO BE	CARRIED BACK F	URS	UA	NT I	O A FIVE	YEAR	CARRYB	ACK, IE	, TO
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TO	OFFSET ALL	TAXABLE IN	NFIDENT THAT T	TN	TTT	מם ם	IN ZUUL I	S SUFF	CADDY	IN AMOU	JNT
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OPI	ERATING LOSS	3.								OI NEI	
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22000										**************************************	
	t III Presidenti	al Election Camp	paign Fund. Checking	below	will	not in	crease your tax	or reduce y	our refund.		
	did not previously want	t \$3 go to the fund but i	now want to, check here								

2001	NOL WORKSHEETS	s	PAGE 1
3	THOMAS J. GONZALES		545-13-6755
COMI	PUTATION OF 2001 NET OPERATING LOSS		
2B. 2C. 3. 4. 5.	ADJUSTED GROSS INCOME ITEMIZED OR STANDARD DEDUCTION EXEMPTION DEDUCTION ADD LINES 2A AND 2B SUBTRACT LINE 2C FROM LINE 1 EXEMPTION DEDUCTION FROM LINE 2B NONBUSINESS CAPITAL LOSSES	2,196,483. 2,900. 14,741,873.	-6,558,190. 2,199,383. -8,757,573. 2,900.
6. 7. 8. 9. 10. 11. 12. 13. 14.	NONBUSINESS CAPITAL GAINS EXCESS OF LINE 5 OVER LINE 6 EXCESS OF LINE 6 OVER LINE 5 NONBUSINESS DEDUCTIONS NONBUSINESS INCOME ADD LINES 8 AND 10 EXCESS OF LINE 9 OVER LINE 11 EXCESS OF LINE 11 OVER LINE 9 BUSINESS CAPITAL LOSSES BUSINESS CAPITAL GAINS	983,607. 13,758,266. 0. 210,114. 966,343. 966,343.	0.
16. 17. 18. 19. 20. 21. 22.	ADD LINES 13 AND 15 EXCESS OF LINE 14 OVER LINE 16 ADD LINES 7 AND 17 LOSS FROM SCHEDULE D, LINE 17 SECTION 1202 EXCLUSION SUBTRACT LINE 20 FROM LINE 19 LOSS FROM SCHEDULE D, LINE 18 SUBTRACT LINE 22 FROM LINE 21	19,000. 0. 13,758,266. 13,739,266. 13,739,266. 3,000. 13,736,266.	0.
24. 25. 26. 27.	SUBTRACT LINE 21 FROM LINE 22 SUBTRACT LINE 23 FROM LINE 18 PRIOR YEARS' NET OPERATING LOSSES 2001 NET OPERATING GAIN (LOSS) (COMBINE LINES 3, 4, 12, 20, 24, 25, AND 26)		22,000. 0. -8,732,673.

2001	NOL WORKSHEETS		PAGE 2
	THOMAS J. GONZALES		545-13-6755
COMP	UTATION OF 2001 AMT NET OPERATING LOSS		
2. 3. 4. 5. 6. 7. 8. 9.	FORM 6251, LINE 21 NONBUSINESS CAPITAL LOSSES NONBUSINESS CAPITAL GAINS EXCESS OF LINE 2 OVER LINE 3 EXCESS OF LINE 3 OVER LINE 2 NONBUSINESS DEDUCTIONS NONBUSINESS INCOME ADD LINES 5 AND 7 EXCESS OF LINE 6 OVER LINE 8	14,741,873. 983,607. 13,758,266. 0. 6,559. 822,570. 822,570.	-6,370,217. 0.
11. 12. 13. 14. 15.	EXCESS OF LINE 8 OVER LINE 6 BUSINESS CAPITAL LOSSES BUSINESS CAPITAL GAINS ADD LINES 10 AND 12 EXCESS OF LINE 11 OVER LINE 13 ADD LINES 4 AND 14 LOSS FROM SCHEDULE D, LINE 17 SECTION 1202 EXCLUSION	0. 0. 19,000. 19,000. 0. 13,758,266. 13,739,266.	0.
18. 19. 20. 21. 22.	SUBTRACT LINE 17 FROM LINE 16 LOSS FROM SCHEDULE D, LINE 18 SUBTRACT LINE 19 FROM LINE 18 SUBTRACT LINE 18 FROM LINE 19 SUBTRACT LINE 20 FROM LINE 15 2001 AMT NET OPERATING GAIN (LOSS)	13,739,266. 3,000. 13,736,266.	0. 22,000.

Thomas J. Gonzales		
	Regular	AMT
2001 Per NOL Worksheets	(8,732,673)	(6,348,217)
1996	TBD	TBD
To 1997	(8,732,673)	(6,348,217)
1997	TBD	TBD
To 1998	(8,732,673)	(6,348,217)
1998 Per NOL Worksheets	63,111	72,012
To 1999	(8,669,562)	(6,276,205)
1999 Per NOL Worksheets	200,914	209,309
To 2000	(8,468,648)	(6,066,896)
2000 Per NOL Worksheets	160,794	581,114
Unused NOL	(8,307,854)	(5,485,782)



DECEASED	THC	MAS J. GONZALES 12/04  Internet of the Treasury - Internet Revenue Service	•	1				
§ 1040	Ú.	S. Individual Income Tax R	eturn 1998	(99) IRS Use Only - E	Do not write or:	staple in thi	s space.	
		r the year Jan. 1 - Dec. 31, 1998, or other tax year begin	ning	, 1998, ending	, 19		OMB No. 1545-007	4
bel	- 1 `	OUT first name and initial	Last name		***************************************	Your soc	al security number	
	<u> </u>	THOMAS J. GONZALES				545	5-13-6755	;
on page 18.)	BEL	a joint return, spouse's first name and initial	Last name				social security number	
lahal								
	H   '	ome address (number and street). If you have a P.O. bo	x, see page 18.	Apt. r	10.	<b>A</b>	MPORTANT!	
please print or type.		134 LAKES BLVD ity, town or post office, state, and ZIP code. If you have					You must enter	
			a toreign address, see page 18.			yo	our SSN(s) above	<del>)</del> .
Presidential Election Campa		DAYTON, NV 89403				Yes I	No Note: Checking	
(See page 18.)	aign	Do you want \$3 to go to this fund?			• • • • •		X will not change tax or reduce yo	
,		If a joint return, does your spouse want \$3  X Single	to go to this fund?				refund.	
Filing Status		——————————————————————————————————————						
	3							
Check only	4	and a superior of the contract of the co	er spouse's soc. sec. no.	above & full name here				
one box.	7	Head of household (with qualifyin enter this child's name here	g person). (See page 18.)	If the qualifying person is	a child but r	not your	dependent,	
	5		ant abild (year analyse die	d <b>b</b> 10 \ /0	40.			
<del></del>	6		en chia (year spouse de	d ▶ 19 ). (See pa	age 18.)			
Exemptions	_		6a	a dependent on his or her	tax			
•		b 🛘 Spouse				}	No. of boxes checked on	7
		Dependents:	(2) Dependent's social		(4) Chk if qu	atituna	6a and 6b	1
		(1) First Name Last name	security number	(3) Dependent's relationship to you	child for chi	d tax	No. of your children on	
					credit (see p		Sc who:	
<b>u</b>					<del> </del>		lived with you	
If more than six dependents,					<del> </del>		did not live with you due to divorce or separation	
see page 19.					†		see page 19)	
				······································	1		Dependents	
(n. <b>%</b>							on 6c not entered above	
2.0						·····	Add numbers	
		1 Total number of exemptions claimed				1	ines above	1
Income	7	Wages, salaries, tips, etc. Attach Form(s	) W-2	• • • • • • • • • • • • • • • • • • • •	7		113,750	T
Income	8		quired	<sub>.</sub>	8a			1
	_		n line 8a	Bb				T
Attach Copy B of your	9	Ordinary dividends. Attach Schedule B if	required	• • • • • • • • • • • • • • • • • • • •	9			
Forms W-2, W-2G, and	10	Taxable refunds, credits, or offsets of sta	te and local income taxes	(see page 21)	10	_	680	<u> </u>
1099-R here.	11 12	Alimony received						
If you did not	13	Business income or (loss). Attach Sched						↓
get a W-2, see page 20.	14	Capital gain or (loss). Attach Schedule D		• • • • • • • • • • • • • • • • • • • •	13			-
	158	Other gains or (losses). Attach Form 479  Total IRA distributions						
	168			b Taxable amount (see p				<u> </u>
Enclose, but do not attach any payment.	17	Rental real estate, royalties, partnerships	S corporations trusts of	b Taxable amount (see p	9. 22) 16b	1		↓
Also, please use Form 1040-V.	18	Farm income or (loss). Attach Schedule F	:	c. Attach Schedule E	17			<del> </del>
70 10.10-1.	19	Unemployment compensation		* * * * * * * * * * * * * * * * * * * *	18	+		<del> </del>
	20a			<b>b</b> Taxable amount (see p	·	<del></del>		<del> </del>
	21	Other income. SEE STATEMENT	· 2	1 Taxable all built (see p	21		,729,928	
	22	Add the amounts in the far right column for		s volume Allendar	-		,615,498	├
	23	IRA deduction (see page 25)		3 7 1 1 1 1 1 1			,013,430	<del> </del>
Adjusted	24	Student loan interest deduction (see page		1 11 1 1 1 1	461	4		
Gross	25	Medical savings account deduction. Attac		5	<del>                                     </del>			
Income	26	Moving expenses. Attach Form 3903		3				
-	27	One-half of self-employment tax. Attach S		37				
	28	Self-employed health insurance deduction			1			
· 33 is under	29	Keogh and self-employed SEP and SIMPI	E plans 29				and a segment	
J95 (under \$ (0,030 if a child	30	Penalty on early withdrawal of savings		)		l		
did not live with	31 <b>a</b>	Alimony paid. <b>b</b> Recipient's SSN ▶	31					
you), see EIC inst. on page 36.	32	Add lines 23 through 31a				1	37	
	33	Subtract line 32 from line 22. This is your a	djusted gross income		. ▶ 33	-8	615,535	

Form 1040 (19	98) TI	HOMAS J. GONZALES 545-13	3-6755				Page 2
		Amount from line 33 (adjusted gross income)				3/	
Tax and Credits		a Check If: You were 65 or older, Blin		65 or older.			
Circuis		Add the number of boxes checked above an	d enter the total here		. ▶ 35a		
(All hard	1	b If you are married filing separately and your					
beduction		a dual-status allen, see page 29 and check h	1 <del>0</del> 10	ons or you were	. <b>▶</b> 35b [	ı	
for Most	36	Enter the larger of your Itemized deductions			. , , ,		
People Single:	Γ	<b>deduction</b> shown on the left. But see page 30	to find vour standard de	duction if you		3	51,027
\$4,250	37	checked any box on line 35a or 35b or if some Subtract line 36 from line 34	one can claim you as a	dependent	• • • • • • • • • • • •	3	
Head of household:	38	and the second s					0,000,302
\$6,250	36	If line 34 is \$93,400 or less, multiply \$2,700 by If line 34 is over \$93,400, see the worksheet or				3	2,700
Married filing	39	Taxable income. Subtract line 38 from line 37					
jointly or Qualifying	40	If line 38 is more than line 37, enter -0- Tax. See page 30. Check if any tax from a				-	
widow(er):	41	Credit for child and dependent care expenses.					<u> </u>
\$7,100 Married		Credit for the elderly or the disabled. Attach So				$\vdash$	
fillng	43					<del>  </del>	
separately \$3,550.	44			43		<del>  </del>	
L	1	Education credits. Attach Form 8863		44		<b> </b>	
	45	Adoption credit. Attach Form 8839		45		<u> </u>	
	46	Foreign tax credit. Attach Form 1118 if require				<u> </u>	
	4/		Form 8396				
		c Form 8801 d Form (specify)		47		L	
		Add lines 41 through 47. These are your total					
	49	Subtract line 48 from line 40. If line 48 is more	than line 40, enter -0-		<u></u>	<b>▶</b> 4	<del></del>
Other	50	Self-employment tax. Att. Sch. SE					0 74
Taxes		Alternative minimum tax. Attach Form 6251					1
_	52	Social security and Medicare tax on tip income					2
	53	Tax on IRAs, other retirement plans, and MSA				<b></b>	3
	54	Advance earned income credit payments from	• •			<u> </u>	4
	55	Household employment taxes. Attach Schedul				. 5	5
	5 <b>6</b>	Add lines 49 through 55. This is your total tax				<b>▶</b> 5	6 74
P ents	57	Federal income tax withheld from Forms W-2 a	and 1099	57	28,807		
		1998 estimated tax payments and amount app		58			
	59	a Earned income credit. Att. Sch. EiC if you	have a qualifying child.				36
Attach Forms W-2,		b Nontaxable earned income: amt.				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
and W-2G		and type >	NO	59a			
on the front. Also attach	60	Additional child tax credit. Attach Form 8812		60			
Form 1099-FI if tax was	61	Amount paid with Form 4868 (request for exter	nsion)	61			<u>\$</u>
withheld.	62	Excess social security and RRTA tax withheld	, , ,				
	63	Other payments. Check if from a  Form 24					
		Add lines 57, 58, 59a, and 60 through 63. Thes					4 28,807
Refund	65	If line 64 is more than line 56, subtract line 56 f	rom line 64. This is the a	mount you OVER!	PAID	6	
a	66 <b>a</b>	Amount of line 65 you want REFUNDED TO Y	OU	· · · · · · · · · · · · · · · · · · ·		▶ 66	a 28,733
Have it							
directly deposited!	þ	Routing number	<b>&gt; c</b> Type: [] C	hecking 🔲 Sa	vings		
See page 44 and fill in 66b,		<u> </u>		1			
66c, and 68d.	d	Account number					
	67	Amount of line 65 you want APPLIED TO 1999	ESTIMATED TAX	67			_
Amount	68	If line 56 is more than line 64, subtract line 64 fi	rom line 56. This is the A	WE VOY THE DAM.	<b>*</b>		
You Owe		For details on how to pay, see page 44		M) M	. (FC)	$\mathbf{X}^{T}$	
100 0116	69	Estimated tax penalty. Also include on line 68		69		1,5	
Sign	Under	penalties of perjury, I declare that I have examined this return	n and accompanying schedules	and statements, and to	the best of my kn	owledge a	and belief, they are
	true, co	prest, and complete. Declaration of preparer (other than taxp	layer) is based on all information	n of which preparer has	any knowledge.		
Here Joint retum?	Yo	ur signature	Date	Your occupation			Daytime telephone
See page 18.	7			CHIEF TE	CHNOLOG	Y O	number (optional)
Keep a copy for you <u>r</u>	Sp	ouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation			
recq 💮							
- Carlot	Prepare	er's		Date			Preparer's social secunty no.
Pk	signatu				Check if self-employed		573-90-7124
Preparer's		. COMYNS. SMITH.	MCCLEARY &	DEAV		EIN	68-0307221
Use Only		name (or yours	O BLVD, #A1:			ZIP code	
	addres		, ,,, ,,			5566	94549

SCHEDULES	A&B	Schedule A – Itemized Dedu	uctions	c	MB No. 1545-0074
(Form 1040)					1998
Department of the Trea Internal Revenue Serv		99) Attach to Form 1040. See Instructions for Schedul	es A and B (Form 1040).	Att Se	achment quence No. 07
Na hown on Fo	rm 1040				
MAS J	J. G	ONZALES	!	545-1	13-6755
Medical		Caution: Do not include expenses reimbursed or paid by others.			
and	1	Medical and dental expenses (see page A-1)	1		
Dental Expansion	2	Enter amount from Form 1040, line 34 2		1	
Expenses	3	Multiply line 2 above by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	0
Taxes You	5	State and local income taxes	5 8,818		
Pald	6	Real estate taxes (see page A-2)	6 3,424	1	
	7	Personal property taxes	To paid by others.  I		
(See	8	Other taxes. List type and amount		1	
page A-1.)	<b>&gt;</b>				
			8		
	9	Add lines 5 through 8		9	14,582
Interest	10	Home mortgage interest and points reported on Form 1098 . STM3	10 36,433		
You Paid	11	Home mortgage interest not reported on Form 1098. If paid to the person from		1	
(See		whom you bought the home, see page A-3 & show that person's name, ID no. & address			
page A-3.)	>				
Note:					
Personal interest is					
not deductible.	12	Points not reported on Form 1098. See page A-3 $$ . SEE . STMT $\dots 4$	12 12	]	
	13	Investment interest. Attach Form 4952, if required.			
		(See page A-3)			
	14	Add lines 10 through 13		14	36,445
G D	15	Gifts by cash or check. If any gift of \$250 or more, see pg. A-4. S.T $5$	<b>15</b> 500		
<del>(۲</del> ۳)	16	Other than by cash or check. If any gift of \$250 or more, see page A-4.			
if hade a gift and got a		You MUST attach Form 8283 If over \$500	······		
benefit for it,	17	Carryover from prior year		23.2	_
see page A-4.	18		EAR	18	0
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684.			0
			<del>iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii</del>	19	0
Job Expenses and Most Other	20	Unrelmbursed employee expenses - job travel, union dues, job education, etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.)			
Miscellaneous	•				
Deductions	•				
		~~	20		
	21	Tax preparation fees	·		
	22	Other expenses - investment, safe deposit box, etc. List type and amount			
	<b>•</b>				
(See					
page A-6 for					
expenses to deduct here.)			22		
	23	Add lines 20 through 22	123/1000000		
	24	Enter amount from Form 1040, line 34 24			1
		Multiply line 24 above by 2% (.02)	25	Y	•
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0		26	0
Other	27	Other - from list on page A-6. List type and amount			
Miscellaneous					
De lons					
_ ~				27	0
Te		Is Form 1040, line 34, over \$124,500 (over \$62,250 if married filing separately			
Itemized Deductions		NO. Your deduction is not limited. Add the amounts in the far right column fo lines 4 through 27. Also, enter on Form 1040, line 36, the larger of this	<b>)</b>		
Degnerous		amount or your standard deduction.	. }	28	51,027
		YES. Your deduction may be limited. See page A-6 for the amount to enter.			

	edule SE (Form 1040) 1998	Attachment Sequence No.	17	Pa	ige 2
diam.	ne of person with self-diffundationment income (as shown on Form 1040) CHOMAS J. GONZALES	Social security number of person with self-templopment income		E45 12 6755	
	ection B - Long Schedule SE	That sources, payment in colle		545-13-6755	
Jan.					
	Self-Employment Tax				
Not	te: If your only income subject to self-employment tax is church employee income, skip orme from services you performed as a minister or a member of a religious order is not ch	plines 1 through 4b. Enter -0- conurch employee income. See p	n line 4d	and go to line 5a.	
Α	If you are a minister, member of a religious order, or Christian Science practitioner and		-		
	net earnings from self-employment, check here and continue with Part I			·····	▶ □
1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 line 15a. <b>Note:</b> Skip this line if you use the farm optional method. See page SE-3	(Form 1065),	1		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Forn farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious of amounts to report on this line. See page SE-2 for other income to report. <b>Note:</b> Skip the nonfarm optional method. See page SE-4	orders, see page SE-1 for s line if you use		2 745	
3	Combine lines 1 and 2	• • • • • • • • • • • • • • • • • • • •	3	<del></del>	
4 <b>a</b>	and the second s				<u> </u>
b	If you elected one or both of the optional methods, enter the total of lines 15 and 17 here				<b></b>
c			41	<u>'</u>	
	Exception. If less than \$400 and you had church employee income, enter -0- and co	err-employment tax.	. > 40	2,535	
5 <b>a</b>	Enter your church employee income from Form W-2.  Caution: See page SE-1 for definition of church employee income	5-			
b	Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-			4	
6	Net earnings from self-employment. Add lines 4c and 5b.			·	
.7				2,535	
	Maximum amount of combined wages and self-employment earnings subject to social of the 7.65% railroad retirement (tier 1) tax for 1998	security tax or the 6.2% portion	7	68,400	00
3	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation	1-1 60 400	. 🕌		
b	Unreported tips subject to social security tax (from Form 4137, line 9)		1-8		
c	Add lines 8a and 8b.			68,400	
9	Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 1		> 9		
0	Multiply the <b>smaller</b> of line 6 or line 9 by 12.4% (.124)			+ <del>-</del>	
1	Multiply line 6 by 2.9% (.029)		11	<del> </del>	
	, , ,,				
2	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 50		12	74	
3	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5).				dálká
	Enter the result here and on Form 1040, line 27	13 37			
P	art II Optional Methods To Figure Net Earnings (See page SE-3.)				
arn	n Optional Method. You may use this method only if:			T	
	Your gross farm income <sup>1</sup> was not more than \$2,400 <b>or</b>		[		
	Your gross farm income <sup>1</sup> was more than \$2,400 and your net farm profits where less that	an \$1,733.			
4	Maximum income for optional methods	*********************	14	1,600	00
5	Enter the <b>smaller</b> of: two-thirds (2/3) of gross farm income (not less than zero) or \$1,60 Also, include this amount on line 4b above	ode amoi	7 7	2	
loni	farm Optional Method. You may use this method only if:	MU / III CI	10	tt l	
	Your net nonfarm profits <sup>3</sup> were less than \$1,733 and also less than 72.189% of your gros	s nonfarm income, and	1 7		
	You had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.		l		
	tion: You may use this method no more than five times.				
熟	Subtract line 15 from line 14		16		
25.000 B	Enter the <b>smaller</b> of: two-thirds (2/3) of gross nonfarm income (hot less than zero) or the				
	Also, include this amount on line 4b above		17		
Fror	m Schedule F, line 11, and Schedule K-1 (Form 1065), line 15b. 3 From Sch. C, line 31; Sch. C-EZ, line	3; and Sch. K-1 (Form 1065), and line 1	5a; Sch. F	(-1 (Form 1065-B), box 9.	

Form 8283

(Rev. October 1998)

ent of the Treasury

mai Revenue Service

Noncash Charitable Contributions

Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ See separate instructions.

OMB No. 1545-0908

Attachment Sequence No. 55

e(s) shown on your income tax return ntifying number THOMAS J. GONZALES 545-13-6755 Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions. Section A - List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions). Part I Information on Donated Property - If you need more space, attach a statement. (a) Name and address of the (b) Description of donated property donee organization SALVATION ARMY A CONCORD, CA VARIOUS В C D E Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f), (c) Date of the (d) Date acquired (e) How acquired (f) Donor's cost or (a) Feir market velue (h) Method used to determine the fair contribution by donor (mo., yr.) by donor adjusted basis market value A VARIOUS VARIOUS PURCHASE 7,500 2,500 THRIFT SHOP В C D E Complete line 2 if you gave less than an entire interest in property listed in Part I. Other Information -Part II Complete line 3 if restrictions were attached to a contribution listed in Part I. If, during the year, you contributed less than the entire interest in the property, complete lines a - e. Enter the letter from Part I that identifies the property 8 . If Part II applies to more than one property, attach a separate statement. Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year (2) For any prior tax years Name and address of each organization to which any such contribution was made in a prior year (complete only if different than the donee organization above): Name of charitable organization (dones) Address (number, street, and room or suite no.) City or town, state, and ZIP code For tangible property, enter the place where the property is located or kept Name of any person, other than the donee organization, having actual possession of the property If conditions were attached to any contribution listed in Part I, answer questions a - c and attach the required statement (see instructions). Yes No Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to

acquire? .....

nal Revenue Service (99)

I Nonresidential real property

## Depreciation and Amortization (Including Information on Listed Property)

➤ See separate instructions.

▶ Attach this form to your return.

OMB No. 1545-0172

1998

Attachment Sequence No. 67

	OMAS J. GONZAL						5	45-13-6755
	ness or activity to which this form relat							
	HEDULE A (POIN							
F	Part I Election To Expe	nse Certain Tangib	le Property (Section 179)	(Note: If you have any "li	sted property," com	plete Part V befo	e you	complete Part I.)
1	Maximum dollar limitation. If	an enterprise zone t	ousiness, see page 2 of the	instructions			1	\$18,50
2	Total cost of section 179 pro						2	
3	Threshold cost of section 17					[	3	\$200,00
4	Reduction in limitation. Subt	ract line 3 from line 2	2. If zero or less, enter -0-			[	4	
5	Dollar limitation for tax year. see page 2 of the instruction	Subtract line 4 from	line 1. If zero or less, enter	-0 If married filing s	separately,		5	
6		ition of property		(business use only)		ted cost		
7	Listed property. Enter amou	ot from line 27			7			
8	Total elected cost of section				<u> </u>	I	8	
9	Tentative deduction. Enter t						9	
10	Carryover of disallowed ded						10	
11	Business income limitation.		. •				11	
12	Section 179 expense deduc						12	
13	Carryover of disallowed ded							Silvara Varrivana siyabari sar
ente	e: Do not use Part II or Part II rtainment, recreation, or amu	l below for listed pro sement). Instead, us	perty (automobiles, certain o e Part V for listed property.	other vehicles, cellul	ar telephones,			
	art II MACHS Deprecia	uon For Assets Pia	iced in Service ONLY Dur			include Listed	Prop	erty.)
<b>14</b>	If you are making the electio general asset accounts, che	ck this box. See pag	Section A - General A  (i)(4) to group any assets played 3 of the instructions  General Depreciation Systems	aced in service durir	ng the tax year		ore	▶ □
(a)	Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method		(g) Depreciation deduction
15a	3-year property							
b	5-year property	1				<del> </del>	_	
C	7-year property	1					$\top$	
d	10-year property	]	***************************************			1		
	15-year property	] [					_	
f	20-year property	]						
g	25-year property			25 yrs		S/L		
h	Residential rental property			27.5 yrs	MM	S/L		
**	residential rental property			27 5 yrs	MM	G/T.		

168	Class life			5	5/L	
t	) 12-year		12 yrs	<b>a</b> S	3/L .	
	: 40-year		40 yrs	AMMA	NI.	22
F	art III Other D	Depreciation (Do Not Include Listed Pro	perty.) (See page 6 of the instructions			
17		uctions for assets placed in service in tax ye		<b>38 1</b> 2 2 2 2 3	17	19 °W
18	Property subject to	section 168(f)(1) election			18	
19		preclation			19	
- T	art IV Curama	TIL (Con many Coll the instructions)				<del></del>

Section C - Alternative Depreciation System (ADS): (See page 5 of the instructions.)

39 yrs

MM

MM

12

Form 4562 (	1998) THOMA	S J. GONZA	AT.FG F	45-13	-675	5									_ ,
Part	34 m (4)							ulan Te	-1		\				Page 2
	LISCEU FIC	perty - Autor Used for Ente	noblies, C rtainment	ertain C	tion o	eniciei	s, Ceiii	ular i e	epn	ones, c	ertain	Comp	outers	, and	
		y vehicle for which							avnon		loto anh	. 22 - 22	h oolun	(n)	
	through (c) of	Section A, all of S	ection B, and	Section C	if applica	ble.	00000	ing ioase	avhou	se, comp	iolo Ullij	204, 20	o, colui	nis (a)	
	Section A - D	epreciation and C	ther informa	ation (Cau	llon: See		of the ins	tructions	for lim	its for pas	ssenger	automob	iles.		· · · · · · · · · · · · · · · · · · ·
23a Do y	ou have evidence to	support the busin	ess/investme	nt use clain	ned?	Yes [	No 2	36 If "Y	es," is t	he evider	nce writt	en?	□ Ye	s 🛚 1	4o
	(a) of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost other b	or	(business	(e) depreciatio vinvastme e only)	1700	(f) overy priod	(g) Metho Conver	d/		(h) reciation duction		
24 Prope	erty used more than	50% in a qualified I	business use	(See page	7 of the i	nstructio	ns.):								
							****								
						L									
		1	<u>.                                    </u>			L			l			L			
25 Prope	erry usea 50% or les	s in a qualified bus	iness use (Se	e page 7 o	the inst	ructions.) T	:				***************************************	Ţ		PSCC25	<del>- 14.77.5.54.44.4.44.44.44.44.44.44.44.44.44.44</del>
						<del> </del>									
					<del></del>	<del> </del>								<del> </del>	
26 Add a	amounts in column ()	n). Enter the total h	ere and on lin	e 20. page	1	1					26	<del> </del>			
												·		27	
		<b></b>				nation o	lise of	Vehicle	• •						
Complete	this section for vehi	cles used by a sole	e proprietor, p						-	son.					Shicle 6
											g this se	ection for	those v	ehicles.	-
	business/investmen				ehicle 1	(b) ∨e	nicle 2	(c) Ve	hicle 3	(d) ∨e	hicle 4	(e) ∨e	hicle 5	(f) Ve	nicle 6
	NOT include commu											ļ		ļ	
	·					<del> </del>		<b></b>				ļ		ļ	
						<del> </del>						<u> </u>		<del> </del>	
_					No	Vae	No	Vaa	l No	Vae	No	Vac	No	Van	No
A A	the vehicle available ity hours?				100	105	NO	163	NO	165	NO	163	NO	168	
rel	the vehicle used prinated person?					ļ									
34 Is and	other vehicle availab	le for personal use	<u>?</u>	<u>l</u>		J			<u> </u>		<u> </u>	L		<u></u>	
Answer th				•	-				-				an 5% d	owners or	
														Yes	No
<b>35</b> Do yo	ou maintain a written	policy statement the	nat prohibits a	all personal	use of ve	ehicles, ir	cluding	commut	ing, by	your emp	loyees?				
										employee	s? 				
<b>37</b> Do yo	u treat all use of veh	nicles by employee	s as persona	luse?											
										use of the	vehicle	s, 			
Part V					·									Proceedings of the	en interioria
L	(a) Description of cos					(c)		(d)			(e)			m	
	Description of cos	518			A	amount									
	ization of costs that	begins during your													
POINT	S	<del></del>	11/1	6/98		4,	220		<u>.  </u>		30				12
									A	$-\lambda$ .	12.0	- 10		1_	
			driven												
									11	1 11		/	11	<b>V</b>	

al. Enter here and on "Other Deductions" or "Other Expenses" line of your return

998	FEDERAL ST	ATEMENT	S			PAGE
	THOMAS J.	GONZALES				545-13-675
STATEMENT 1 FORM 1040 WAGE SCHEDULE						05:38 P
WAGES TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	CARE	STATE W/H	SDI
COMMERCE ONE INC	113750		4241	1794	8659	15
TOTALS		28807				
STATEMENT 2 FORM 1040, LINE 21 OTHER INCOME LESCURE						2,745 732,673 729,928
STATEMENT 3 SCHEDULE A, LINE 10 HOME MORTGAGE INTEREST REPORT BANC ONE						6,385 29,077 971 36,433
STATEMENT 4 SCHEDULE A, LINE 12 DEDUCTIBLE POINTS AMORTIZATION				TOTA	. \$	12
		,	45 1	me	nde	<u> </u>
STATEMENT 5 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR CHE	ск					
SCHEDULE A. LINE 15				TOTA	. <u>\$</u> L <u>\$</u>	500
SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR CHE				TOTA	. \$ L \$	500 500

199	8 NOL WORKSHEETS	PAGE 1
	THOMAS J. GONZALES	545-13-6755
( 70	07	05:38 PM
	NET OPERATING LOSS CARRYOVERS USED IN 1998	
	A. CARRY FACK YEAR B. NOL YEAR C. INITIAL LOSS D. NOL CARRYOVER	1998 <b>2001</b> 8,732,673 8,732,673
	COMPUTATION OF MODIFIED TAXABLE INCOME  1. 1998 TAXABLE INCOME  2. NOL CARRYOVERS FROM YEAR B AND LATER YEARS  3. NET CAPITAL LOSS DEDUCTION (FORM 1040, LINE 13)  4. ADJUSTMENTS TO AGI  5. ADJUSTMENTS TO ITEMIZED DEDUCTIONS  6. PERSONAL EXEMPTIONS (FORM 1040, LINE 37)  7. MODIFIED TAXABLE INCOME  (ADD LINES 1,2,3,4,5 AND 6)	-8,669,262 8,732,673 0 0 -3,000 2,700
	NOL ON LINE C ABSORBED THIS YEAR NOL ON LINE C NOT ABSORBED THIS YEAR ADJUSTMENTS TO ITEMIZED DEDUCTIONS	63,111 8,669,562
	8. 1998 ADJUSTED GROSS INCOME 9. CARRYOVERS FROM YEAR B AND LATER YEARS 10. ADD LINES 3 AND 4 FROM ABOVE 11. MODIFIED AGI (ADD LINES 8, 9 & 10)	-8,615,535 8,732,673 0 117,138
	ADJUSTMENT TO CHARITABLE CONTRIBUTIONS	
	17. CHARITABLE CONTRIBUTIONS (FORM 1040, SCH A, LN 18) 18. CHARITABLE CONTRIBUTIONS REFIGURED USING LN 11 19. SUBTRACT LINE 18 FROM LINE 17	3,000 -3,000
	TOTAL ITEMIZED DEDUCTIONS ADJUSTMENT (ADD LINES 16, 19, 24 AND 29)	-3,000



1998	NOL WORKSHEETS	PAGE 2
	THOMAS J. GONZALES	545-13-6755
707		05:38 PM
TMA	NET OPERATING LOSS CARRYOVERS USED IN 1998	
	A. CARRY <b>SKK</b> YEAR B. NOL YEAR	1998 <b>2æ</b> 1
	C. INITIAL LOSS D. NOL CARRYOVER	6,348,217
COM	IPUTATION OF MODIFIED AMTI	6,348,217
00.	1. AMTI BEFORE ATNOLD (FORM 6251, LINE 19) 2. ATNOLD LIMITATION PERCENTAGE 3. MULTIPLY LINE 1 BY 2 4. PRIOR YEAR AMT CARRYOVERS ABSORBED IN CURRENT YEAR 5. MODIFIED AMTI (LINE 3 LESS LINE 4)	80,013 0.900 72,012 0 72,012
	AMT NOL ABSORBED THIS YEAR AMT NOL NOT ABSORBED THIS YEAR	72,012 6,276,205

As Amended

545-13-6755  05:38 PH  CURRENT  12  12  12  0  =======================	
GENE.	
R 8	
S/L S/L	
m sega	
## 6	
THOMAS J. GONZALES  CUR PRIOR PRIOR BUS. 179 179 DEC. BAL. BASIS SALVAGE DEPR. PPCT. BONUS BONUS DEPR. REDUCTN VALUE BASIS DO 4,220  0 0 0 0 0 0 0 4,220  0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0  0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0 0 0  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  0	
THOMAS J. GONZALES THOMAS J. GONZALES 179 DEC. BAL. BASIS BONUS DEPR. REDUCTN 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
PHIOR DEC. BAL.	
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DERA GUR SONUS SON	
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1998 FEDERAL ALTERNATIVE MININGRAX DEPRECIATION SCHEDULE	THOMAS J. GONZALES		LIFE				
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1040 M	Der U	S.	ent of the Treasury - Informal Revenue Service Individual Income Tax R	eturn 1998								
Ö. —			year Jan. 1 - Dec. 31, 1998, or other tax year begins			(99) IRS Use Only - E		staple in t				
bel			first name and initial	Last na		1998, ending	, 19	Your se		B No. 1545-0	0074	
	.	ויד	HOMAS J. GONZALES	233111						3-675	=	
Instructions on page 18.)	<u>k</u>  -		sint return, spouse's first name and initial	Last na	me					i security nun		
· ·	A B E L	-								, soosiny mai		
Use the IRS label.	-	Hom	e address (number and street). If you have a P.O. box	K, 995 page 18.		Apt. r	10.	<del>                                     </del>		00741		
Otherwise, please print	HER		MERCURY COURT			•		<b>A</b>		ORTAN		•
or type.	Ë		town or post office, state, and ZIP code. If you have a	a foreign address, see page 18				┨ ,		must ente SN(s) abo		
Dec - I de - Alei	1	p	LEASANT HILL, CA 945	23				Yes		<del></del>		
Presidential L Election Cam	paign		o you want \$3 to go to this fund?				<del></del>	1163	No X	Note: Check will not chan		
(See page 18.)	pa.g.,	•	a joint return, does your spouse want \$3						$\stackrel{\sim}{\longrightarrow}$	tax or reduce refund.	e your	
		1	X Single	to go to this tard								
Filing Stat		2	Married filing joint return (even if	only one had income)								
		- 3	Married filing separate return. Ent	•	n ah	ove & full name here						
Check only		4	Head of household (with qualifyin					not vou	r dono			
one box.		•	enter this child's name here	g person). (Oce page 10	J., 11 1	ne qualifying person is	a crilla bat	not you	uepe	riderii,		
		5	Qualifying widow(er) with depend	ent child (vear snouse o	lled	▶ 19 ). (See pa	200 18 \					
<del></del>		6a	Yourself. If your parent (or someon									
Exemption		-	return, do not check box	к ба		· · · · · · · · · · · · · · · · · · ·			No o	boxes		
•		b	☐ Spouse					}	check 6a an	ed on		1
			Dependents:	(2) Dependent's social	Τ	(3) Dependent's	(4) Chik if q	ualitying	No. of			<b>=</b>
		٠	(1) First Name Last name	security number		relationship to you	child for ch credit (see		childr 6c wh	en on		
	******				+		Credit (300	Jaye 13)	-	id with you		
					+		<u> </u>		. •	not live with		-
If more than six dependents,				<u> </u>	_		<del>                                     </del>		⊺ youd	ue to divorce paration		
see page 19.							<del> </del>			age 19)		
				†		· · · · · · · · · · · · · · · · · · ·			- Deper	ndents		
					1				on 6c			
	*******								-	umbers		
		d	Total number of exemptions claimed						entere lines (			1
		7	Wages, salaries, tips, etc. Attach Form(s						1	13,75	0	_
Income		8 <b>a</b>	Taxable interest. Attach Schedule B if re	equired			8	0				
		b	Tax-exempt interest. DO NOT include of			1				·····		
Altach		9	Ordinary dividends. Attach Schedule B if	required			8					
Copy B of your Forms W-2,	1	0	Taxable refunds, credits, or offsets of sta	ate and local income tax	es (s	ee page 21)	10	0		68	30	
W-2G, and 1099-Ft here.	1	1	Alimony received				1	1				
	1:	2	Business income or (loss). Attach Scheo	lule C or C-EZ			1:	2	<del></del>			
If you did not get a W-2,	1	3	Capital gain or (loss). Attach Schedule D	)			1	3				
see page 20.	1.	4	Other gains or (losses). Attach Form 479	97			1	\$		***************************************		
	1	5 <b>a</b>	Total IRA distributions 15a		b	Taxable amount (see	pg. 22) 15	b				
Enclose, but do no	, 10	6 <b>a</b>	Total pensions and annuities 16a		b	Taxable amount (see	pg. 22) <b>16</b>	b				
attach any paymen		7	Rental real estate, royalties, partnerships	s, S corporations, trusts,	etc.	Attach Schedule E	17	7				
Also, please use Form 1040-V.	10	3	Farm income or (loss). Attach Schedule	F			18	3				
	19	•	Unemployment compensation				19					
	20	a	Social security benefits 20a		_ b	Taxable amount (see	og. 24) <b>20</b>	b				
	21		Other income. LESCURE				21			2,74	5	
	22	2	Add the amounts in the far right column for	or lines 7 through 21. Th	nis is	your total income	▶ 22	2	1	17,17	5	
	23	3	IRA deduction (see page 25)		23							
Adjusted	24	}	Student loan interest deduction (see page	9 27)     ,∯.,₹.,;{},;°	34	Tollie I'la						
Gross	25		Medical savings account deduction. Attac	4	25							
Income	26	•	Moving expenses. Attach Form 3903		26	ν		· :				
sin.	27	•	One-half of self-employment tax. Attach \$	Schedule SE	27	3	7 📗 🗀					
	28	1	Self-employed health insurance deduction	n (see page 28) [	28							
e 33 is under	29	<b>;</b>	Keogh and self-employed SEP and SIMP	LE plans	29			. 1			-	
.,095 (under	30		Penalty on early withdrawal of savings .		30		L Kard				l	
\$10,030 if a child did not live with	31	а.	Alimony paid. b Recipient's SSN ▶		31a							
you), see EIC inst. on page 36.	32		Add lines 23 through 31a				. 32			3	7	
J., page 00.	33		Subtract line 32 from line 22. This is your	adjusted gross incom	e		▶ 33		1	17,13	8	

Porm 1040 (19	98) T	HOMAS J. GONZALES 545-13-6755				Page 2
Tax and	34	Amount from line 33 (adjusted gross income)			34	Page 2
Cravits	35	a Check if: You were 65 or older, Blind; Spouse was	s 65 or older, D Blind.	i —		
C A S		Add the number of boxes checked above and enter the total here	≥ 35a			
Sard	7	b If you are married filling separately and your spouse itemizes deduction			1	
E-duction		a dual-status alien, see page 29 and check here	lick is or you were			1
for Most People	36	Enter the larger of your itemized deductions from Schodulo A line of	OD observational			
Single:		<b>Geological Shows on the left. But see page 30 to find your standard d</b>	aduction if you			E4 027
\$4,250	37	checked any box on line 35a or 35b or if someone can claim you as a Subtract line 36 from line 34	dependent		36	54,027 63,111
Head of household:	38	If line 34 is \$93,400 or lose multiply \$5,700 by the head will be	***************************************	•	37	63,111
\$6,250	~	If line 34 is \$93,400 or less, multiply \$2,700 by the total number of exe if line 34 is over \$93,400, see the worksheet on page 30 for the amount of the second sec	imptions claimed on line 6d.			2 700
Married filling	39		38	2,700		
jointly or Qualifying	40	If line 38 is more than line 37, enter-0- Taxt. See page 30. Check if any tax from a Form(s) 8814 b		٠	39	60,411
widow(er): \$7,100	41	Credit for child and dependent care expenses. Att. Form 2441	FOR11 4972	· · · P	40	13,624
Married	42	Credit for the elderly or the disabled. Attach Schedule R	. 41		1	
filing separately	43	Child tax credit (see page 31)	42	-	1	1
\$3,550.	44	Education credits. Attach Form 8863	43		1 1	
	45					
	46	Adoption credit. Attach Form 8839	45			
		Foreign tax credit. Attach Form 1116 if required	46			
	47			Ì		
		- LLS ( 5 mm ( 6 p 5 6 m ) )	47			
		Add lines 41 through 47. These are your total credits	• • • • • • • • • • • • • • • • • • • •	• •	48	
	49	Subtract line 48 from line 40. If line 48 is more than line 40, enter -0-		<u>.                                    </u>	49	13,624
Other	50	, , , , , , , , , , , , , , , , , , , ,	• • • • • • • • • • • • • • • • • • • •		50	74
Taxes	51	Alternative minimum tax. Attach Form 6251	• • • • • • • • • • • • • • • • • • • •		51	
	52	Social security and Medicare tax on tip income not reported to employ	er. Attach Form 4137		52	
	53	Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if r	equired		53	
	54	Advance earned income credit payments from Form(s) W-2	• • • • • • • • • • • • • • • • • • • •		54	
	55	Household employment taxes. Attach Schedule H	• • • • • • • • • • • • • • • • • • • •		55	
	56	Add lines 49 through 55. This is your total tax			56	13,698
P(ents	57	Federal income tax withheld from Forms W-2 and 1099				
Y = 3P		1998 estimated tax payments and amount applied from 1997 return	. 58			
A.u b	28	a Earned income credit. Att. Sch. EIC if you have a qualifying child.				
Attach Forms W-2,		b Nontaxable earned income: amt.				
and W-2G on the front.		and type ► NC	<del>                                      </del>	1		
Also attach		Additional child tax credit. Attach Form 8812	60			
Form 1099-R if tax was	01	Amount paid with Form 4868 (request for extension)	61	$\perp$		
withheld.	62	Excess social security and RRTA tax withheld (see page 43)	62			
		Other payments. Check if from a Form 2439 b Form 4136				
	64	Add lines 57, 58, 59a, and 60 through 63. These are your total payme	nts	. ▶	64	28,807
Refund	65	If line 64 is more than line 56, subtract line 56 from line 64. This is the	amount you OVERPAID		65	15,109
	558	Amount of line 65 you want REFUNDED TO YOU	• • • • • • • • • • • • • • • • • • • •	▶	66 <b>a</b>	15,109
Have it directly			_	İ		
depositedf See page 44	ь	Routing number	Checking Savings	ı		
and fill in 66b,		A	7			
66c, and 66d.		Account number	<u>.</u>	į		l
		Amount of line 65 you want APPLIED TO 1999 ESTIMATED TAX	67 3 3 77	- ;	1	
Amount	6 <b>8</b>	f line 56 is more than line 64, subtract line 64 from line 56. This is the	MOUNT YOU OWE!			
You Owe		For details on how to pay, see page 44			68	
		Estimated tax penalty. Also include on line 68	69			
Sign	true, co	enalties of perjury, I declare that I have examined this return and accompanying schedules rrect, and complete. Declaration of preparer (other than taxpayer) is based on all informatio	and statements, and to the best of my k	nowled	ge and belie	f, they are
Here						
Joint return?	)"	Date	Your occupation			e telephone r (optional)
See page 18. Keep a copy	V ==	Locia claratura Ha Castata DOTU	CHIEF TECHNOLOG	<u>GY</u>	0	(opiional)
for your	Spo	use's signature. If a joint return, BOTH must sign.  Date	Spouse's occupation			
rec q						
0	Prepare		Date Check if		1	er's social security no.
Pa	signatu	7 DIBVER F. SMITH	self-employed		57	3-90-7124
Preparer's	Firm's r	arrie (or yours	DEAV	EIN	68-	0307221
Use Only		proped) and $\frac{3470 \text{ MT. DIABLO BLVD. } \#\text{A1:}}{}$	10	ZIP co	ode	
		LAFAYETTE, CA			945	49

Case 4:08-cv-031	89 <b>S</b> BA

_	5 A&	<sup>B</sup> Schedule A – Itemized Dedu	ctions	OMB No. 1	545-0074
•				19	98
Internal Revenue Sen	vice	(99) Attach to Form 1040. See Instructions for Schedule	es A and B (Form 1040).	Attachment Sequence N	. 07
Carrie		)		Your social securit	0.
MAS	J.	GONZALES		545-13-6	755
Meulcal		Caution: Do not include expenses reimbursed or paid by others.		T	
and	1	Medical and dental expenses (see page A-1)	1		
_	2	Enter amount from Form 1040, line 34 2		1	
cybelises	3	Multiply line 2 above by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	0
Taxes You	5	State and local income taxes	5 8,818		
Paid	6	Real estate taxes (see page A-2)	6 3,424		
	7	Personal property taxes	7 2,340	1 1	
(See	8	Other taxes. List type and amount		1	
page // 1.)					
	_		8		
		Add lines 5 through 8		9	14,582
	10	Home mortgage interest and points reported on Form 10982	10 36,433		
Department of the Treasury Internet Revenue Service (sep)  Nat Province Form 1040  MAS J. GONZALES  Caution: Do not include and 1 Medical and dental expenses 1 Multiply line 2 above by 7 4 Subtract line 3 from line 1 2 Enter amount from Form 12 Expenses 3 Multiply line 2 above by 7 4 Subtract line 3 from line 1 2 Enter amount from Form 12 Expenses 3 Multiply line 2 above by 7 4 Subtract line 3 from line 1 2 Enter amount from Form 12 Expenses 3 Multiply line 2 above by 7 4 Subtract line 3 from line 1 1 Expenses 1 1 Home mortgage interest a whom you bought the home, see page A-3.)  Interest 10 Home mortgage interest a whom you bought the home, see page A-3.)  Note: Personal interest and form 11 Investment interest. Attact (See page A-3)	Home mortgage interest not reported on Form 1098. If paid to the person from				
		whom you bought the home, see page A-3 & show that person's name, iD no. & address			
Mada					
Personal					
	10	Points not consider a Form 1000 Consumer A.O. CER CENTER	11		
		· •	12 12	]	
	13	(See page A-3)	13		
		Add lines 10 through 13		14	36,445
GIV	15	Gifts by cash or check. If any gift of \$250 or more, see pg. A-4. S.T4	<b>15</b> 500		
C/ // If yes lade a	16	Other than by cash or check. If any gift of \$250 or more, see page A-4. You MUST attach Form 8283 if over \$500	16 2,500		
	17	Carryover from prior year	17		
see page A-4.	18			18	3,000
	19	Casualty or theft loss(es). Attach Form 4684.			
Theft Losses		(See page A-5.)		19	0
•	20	Unreimbursed employee expenses - job travel, union dues, job education, etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.)			
	•				
Deductions					
			20		
	21		21		
	22	Other expenses - investment, safe deposit box, etc. List type and amount			
	•				
			10011177	<i></i>	
expenses to				<b>! !</b>	
deduct here.)	23		22		
		•	23		
		Subtract line 25 from line 23. If line 25 is more than line 23, octor 0	25		•
Other		Other - from list on page A-B List type and amount		26	0
		and an engage // o. clot type and amount			
5634					
9 Add lines 5 through 8.  Interest 10 Home mortgage interest and points reported on Form 1098 STM		27	0		
1 / 一一	28	Is Form 1040, line 34, over \$124 500 (over \$62 250 if married filling separately)	2	27	0
temized		NO. Your deduction is not limited. Add the amounts in the far right column for			
eaucuons		amount or your standard deduction.	}▶	28	54,027
		YES. Your deduction may be limited. See page A-6 for the amount to enter.		AND MEDICAL	

	dule SE (Form 1040) 1998 of person with self-attrateging-ment income (as shown on Form 1040)	Attachment Sequence No.	17		Page 2
40.55	HOMAS J. GONZALES	Social security number of person with self-berphippresent income	. ▶	545-13-6755	
	ction B - Long Schedule SE		<u> </u>	<u> </u>	
F	rart I Self-Employment Tax				
Not	e: If your only income subject to self-employment tax is church employee income skir	o lines 1 through 4b. Enter -0- or	line 4r	e and go to line 5e	
Inco A	me from services you performed as a minister or a member of a religious order is not of If you are a minister, member of a religious order, or Christian Science practitioner and	hurch employee income. See pa	ge SE-	1.	
	net earnings from self-employment, check here and continue with Part I	you nied Form 4361, but you na		or more of other	▶ □
1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 line 15a. <b>Note:</b> Skip this line if you use the farm optional method. See page SE-3	(Form 1065),	. 1		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious amounts to report on this line. See page SE-2 for other income to report. <b>Note:</b> Skip this the page set to the p	orders, see page SE-1 for			
3	the nonfarm optional method. See page SE-4  Combine lines 1 and 2		2		
4a	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount fi		3		
b	If you elected one or both of the optional methods, enter the total of lines 15 and 17 her				<del>'</del>
С	Combine lines 4a and 4b. If less than \$400, do not file this schedule; you do not owe s Exception. If less than \$400 and you had church employee income, enter -0- and co	elf-employment tax.			
5 <b>a</b>	Enter your church employee income from Form W-2.  Caution: See page SE-1 for definition of church employee income	. 5 <b>a</b>			
b	Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-		5b		
6	Net earnings from self-employment. Add lines 4c and 5b		6	2,535	
	Maximum amount of combined wages and self-employment earnings subject to social of the 7.65% railroad retirement (tier 1) tax for 1998	security tax or the 6.2% portion	7	68,400	00
	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation				
b	Unreported tips subject to social security tax (from Form 4137, line 9)				
С 9	Add lines 8a and 8b.		80	<del></del>	
,	Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 1 Multiply the smaller of line 6 or line 9 by 12.4% (.124)		·		
ĺ	Multiply line 6 by 2.9% (.029)		10		
•			11	74	-
2	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 50		. 12	74	
3	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5).				
	Enter the result here and on Form 1040, line 27	13 37			
P	ort II Optional Methods To Figure Net Earnings (See page SE-3.)				********
arn	Optional Method. You may use this method only if:		-1-		т
, )	our gross farm income <sup>1</sup> was not more than \$2,400 or				
	our gross farm income 1 was more than \$2,400 and your net farm profits where less that	an,\$1,733.			
}	Maximum income for optional methods	14	14	1,600	00
, ·	Enter the <b>smaller</b> of: two-thirds (2/3) of gross farm income (not less than zero) or \$1,6 Also, include this amount on line 4b above	oo.	15		
onf	arm Optional Method. You may use this method only if:		13		<del> </del>
γ	our net nonfarm profits <sup>3</sup> were less than \$1,733 and also less than 72.189% of your gros	ss nonfarm income, and			
Υ	ou had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.				
uti	on: You may use this method no more than five times.				
	Subtract line 15 from line 14				
			16		
,	Enter the <b>smaller</b> of: two-thirds (2/3) of gross nonfarm income (fiot less than zero) <b>or</b> the smaller of: two-thirds (2/3) of gross nonfarm income (fiot less than zero) <b>or</b> the smaller of the smalle	he amount on line 16.	17		
_					

<sup>1</sup> From Schedule F, line 11, and Schedule K-1 (Form 1065), line 15b. 2 From Schedule F, line 36, and Schedule K-1 (Form 1065), line 15a.

<sup>3</sup> From Sch. C, line 31; Sch. C-EZ, line 3; and Sch. K-1 (Form 1065), and line 15a; Sch. K-1 (Form 1065-B), box 9.

<sup>4</sup> From Sch. C, line 7; Sch. C-EZ, line 1; and Sch. K-1 (Form 1085), and line 15c; Sch. K-1 (Form 1085-B), box 9.

8283 Form (Rev. October 1998) Noncash Charitable Contributions

Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

OMB No. 1545-0908

ent of the Treasury Attachment hal Revenue Service 55 See separate instructions. Sequence No. me(s) shown on your income tax return Identifying number THOMAS J. GONZALES 545-13-6755 Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions. Section A - List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions). Part I Information on Donated Property - If you need more space, attach a statement. (a) Name and address of the (b) Description of donated property donee organization SALVATION ARMY A CONCORD, CA VARIOUS R C D E e: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f) (c) Date of the (d) Date acquired (e) How acquired (f) Donor's cost or (h) Method used to determine the fair (a) Fair market value contribution by donor (mo., yr.) by donor adjusted basis market value VARIOUS A VARIOUS PURCHASE 7,500 2,500 THRIFT SHOP VALUE В C D E Other Information - Complete line 2 if you gave less unan an entire line line 3 if restrictions were attached to a contribution listed in Part I. Complete line 2 if you gave less than an entire interest in property listed in Part I. Part II If, during the year, you contributed less than the entire interest in the property, complete lines a - e. Enter the letter from Part I that identifies the property . If Part II applies to more than one property, attach a separate statement. Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year (2) For any prior tax years Name and address of each organization to which any such contribution was made in a prior year (complete only if different than the donee organization above): Name of charitable organization (dones) Address (number, street, and room or suite no.) tings: City or town, state, and ZIP code For tangible property, enter the place where the property is located or kept Name of any person, other than the donee organization, having actual possession of the property If conditions were attached to any contribution listed in Part I, answer questions a - c and attach the required

Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?

acquire? .....

Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to

statement (see instructions).

Yes No

#### **Depreciation and Amortization** (Including Information on Listed Property)

OMB No. 1545-0172 1998

rtment of the Treesury al Revenue Service (99)

See separate instructions.

Attach this form to your return.

Attachment Sequence No. 67

2500							KOMINITAKI	O LICHTISCHE
-1	OMAS J. GONZAL						545-	-13-6755
Busir	less or activity to which this form relate	36					*	
SC	HEDULE A (POIN	TS)						
P	art I Election To Expen	nse Certain Tangib	le Property (Section 179)	(Note: If you have any *	"listed property," compl	ete Part V before	you comple	te Part I.)
1	Maximum dollar limitation. If	an enterprise zone t	ousiness, see page 2 of the i	nstructions		1		\$18,500
2	Total cost of section 179 pro	perty placed in servi	ce. See page 2 of the instruc	ctions		2	!	
3	Threshold cost of section 17	9 property before re-	duction in limitation				)	\$200,000
4	Reduction in limitation. Subtr	ract line 3 from line 2	. If zero or less, enter -0-					
5	Dollar limitation for tax year. see page 2 of the instruction	Subtract line 4 from s	line 1. If zero or less, enter -	0 If married filing	separately,	5	;	
6		tion of property		usiness use only)	(c) Electe		300 30	
		<del></del>			· · · · · · · · · · · · · · · · · · ·		-	
							$\neg$	
		******					$\dashv$	
7	Listed property. Enter amoun	nt from line 27			7			
8	Total elected cost of section						100000000000000000000000000000000000000	
9	Tentative deduction. Enter th		* **				<del></del>	
10	Carryover of disallowed ded							
11	Business income limitation. I						<del></del>	
12	Section 179 expense deduct							
13	Carryover of disallowed ded						1 (1/2)	
Note	: Do not use Part II or Part II		<del></del>	····		ertain comput	are or or	operty used for
ente	rtainment, recreation, or amu:	sement). Instead, us	e Part V for listed property.	a 101 VOI 1101005, COIIC	siai tolopriorios, c	citain compat	313, OI PI	operty used for
2100N2N0•	and the same of th	<del></del>	ced in Service ONLY Duri	ng Your 1998 Tax	Year (Do Not In	clude Listed P	roperty)	
3			Section A - General As				, op 0, 1,	
7	If you are making the election	n under section 169						
	general asset accounts, che	ck this box. See pac	e 3 of the instructions	ced in service dur	ing the tax year in	ito one or mor	е	▶ □
			General Depreciation System					
	· · · · · · · · · · · · · · · · · · ·	(b) Month and	(c) Basis for depreciation		(0)		T	
( <u>a</u> )	Classification of property	year placed in service	(business/investment use only - see instructions)	(d) Recovery period	Convention	(f) Method	( <b>g</b> ) De	epreciation deduction
15 <b>a</b>	3-year property				<del> </del>		<b> </b>	
b	5-year property				<del>                                     </del>		<del>                                     </del>	
	7-year property	11 1					<del> </del>	
	10-year property	1					<b> </b>	
	15-year property	1				<u> </u>		
	20-year property	1					İ	
	25-year property	1		25 yrs		S/L	<b>†</b>	

Section C - Alternative Depreciation System (ADS): (See page 5 of the Instructions.) 16a Class life S/L 12 b 12-year yrs S/L c 40-year 40 S/L yrs

27.5 yrs

27.5 yrs

39 yrs

MM

MM

MM

MM

22

s/L

S/L

s/L

S/L

Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)

GDS and ADS deductions for assets placed in service in tax years beginning before 1998 17 Property subject to section 168(f)(1) election ...... 18 ACRS and other depreciation ..... 19

art IV Summary (See page 6 of the instructions.)

h Residential rental property

I Nonresidential real property

Listed property. Enter amount from line 26 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships & S corporations - see instructions ......

For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . KFA For Paperwork Reduction Act Notice, see of the separate instructions.

Form 4562 (1998)

20

21

Form 4562 (1998)	THOMA	S J. GONZA	ALES 5	15-13	-675	5									Page
Part V	isted Pro	perty - Autor	nobiles, Ce	rtain O	ther V	ehicle	s, Cell	ular Te	elept	ones,	Certair	1 Com	puters	, and	· aye
	Property	Used for Enter	rtainment,	Recreat	tion, o	r Amu	semer	nt					_		
	<b>iote:</b> For an hrough (c) o	y vehicle for which f Section A, all of S	you are using ection B. and S	the standa	rd milea f annlica	ge rate d	r deduct	ing lease	expe	nse, comp	ino erek	y 23a, 2	3b, colur	nns (a)	
		epreciation and O					of the ins	structions	s for lin	nits for pa	ssenger	automo	biles.		
3a Do you have	evidence to	support the busine	ess/investment	use claim	ed?	Yes				the evide			□ Y	es 🗆	No
(a) Type of proper vehicles fir		(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost o other ba		(busines	(e) depreciation s/investme	On Rec	(f) covery eriod	(g Meth Conve	od/		(h) preclation eduction	8	(f) Elected ection 179 cost
4 Property used	more than	50% in a qualified b	Dusiness use (	See page	7 of the i	nstructio	ns.):					<u> </u>			
											<del></del>	T		$\neg \top$	
·	·····														
- 5	1.505/	<u> </u>	L			<u> </u>									
Property used	3 50% or les	s in a qualified busi	ness use (See	page 7 of	the inst	ructions.	):	<del></del>						Prop	
						<del> </del>									
						<del> </del>						<del> </del>			
Add amounts	in column (h	n). Enter the total he	ere and on line	20. page	1						26	<del> </del>			
		). Enter the total he										<del></del>	T	27	3.49 - 17 - 35 -
			9	ection B			······						<u> </u>		
omplete this sec	tion for vehi	cles used by a sole	proprietor, pa	rtner, or of	her "mo	re than 5	% owne	r," or rela	ated pe	rson.					
		ur employees, first a		1				1		completing	ng this se	ection fo	r those v	ehicles.	
Total busines	s/investmen	t miles driven durin ting miles)	g the year		hicle 1	(b) ∨e	hicle 2	(c) Ve	hicle 3	(d) ∨∈	hicle 4	(e) ∨∈	ehicle 5	(1) ∨	ehicle 6
		ven during the year				ļ		<u> </u>		+		<del> </del>		ļ	
		commuting) miles d						ļ		<del> </del>		<del> </del>		<b>_</b>	
		he year. Add lines			***************************************							<del> </del>		<del> </del>	
		for personal use di		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
777		• • • • • • • • • • • • • • • • • • • •				ļ									
s the vehic	cle used prin	narily by a more tha	an 5% owner			İ									
•		e for personal use?		-		<del> </del>	<del> </del>			<del> </del>		-	<del> </del>	ļ	
			- Questions f		iore Mil	o Drovil	1		L	. Their F		<u>.l</u>		<u>.                                    </u>	
nswer these que	stions to det	termine if you meet	an exception	o complet	ing Sect	ion B for	vehicles	used by	emplo	vees who	are no	ss Imoreth	nan 5% d	wners o	or
lated persons.		-	•	·											
														Yes	No
		policy statement th								-	-		• • • • • •	ļ	
Do you mainta	ain a written	policy statement th lons for vehicles us	at prohibits pe	rsonal use	of vehic	les, exc	ept comr	nuting, b	y your	employee	s?				
		icles by employees													<del> </del>
		five vehicles to you											• • •	<u> </u>	+
and retain the	information	received?									· venicie	s, <i>.</i>			
		ents concerning qu										<i></i> .			
The second secon		, 36, 37, 38 or 39 is	s "Yes," you ne	ed not co	nplete S	ection B	for the c	overed v	/ehicle	s.					
	mortizati			<del></del>	<del></del>				,						
De	(a) escription of cos	its	(b) Date amortiz	ation		(c) nortizable		(d) Code	,	Amor	(e) tization	İ	Am	(f) ortization	
		begins during your	1998 tay year:			amount		sectio	n	period or j	percentage			this year	
OINTS	, costs triat i	begins during your	11/16	<del></del>		4	220			7 7	_3 d-		* ~ *		12
			+/	<del>/ -  </del>		+ /	220	- 1		<u> </u>			<u>.</u>		
								-	- · · · ·				- '		
											*******		<del></del>		
7. W	,														
		pegan before 1998							· · · · ·	<u> </u>		41			
ai. Enter ne	re and on "C	Other Deductions* o	or Other Expe	nses" line	of your i	eturn .	· · · · · · ·	· · · · · · ·			4	12			12

98	FEDERAL ST	ATEMENT	s			PAGE
	THOMAS J.	GONZALES				545-13-675
STATEMENT 1 FORM 1040 WAGE SCHEDULE						05:27 P
WAGES TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA		W/H	
COMMERCE ONE INC	113,750	100	4,241	1,794	8,659	15
TOTALS	113,750					15
STATEMENT 2 SCHEDULE A, LINE 10 HOME MORTGAGE INTEREST RE BANC ONE OPTION ONE NATIONAL CITY  STATEMENT 3 SCHEDULE A, LINE 12						6,385 29,077 971 36,433
DEDUCTIBLE POINTS  AMORTIZATION				TOTA		12 12
STATEMENT 4 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR C	HECK	• • • • • • • • • • • • • • • • • • • •		TOT	. \$ AL \$	500 500
		, ·		.111,	1711 <b>-</b> 1	

12/31/98			1998	E	ERA!	<u> </u>	PR	LIO	FEDERAL DEPRESTION SCHEDULE	EDUL	ш					GE 1
607.72.70					-	HOMA	THOMAS J. GONZALES	NZALES							545	545-13-6755
NO. DESCRIPTION	DATE	DATE	COST/ BASIS			PRIOR 179 D	PRIOR DEC. BAL. DEPR.	BASIS	SALVAGE	DEPR. BASIS	PRIOR DEPR.	NETHOD LIFE		RATE	CURRENT DEPR.	05:27 PM
SCHEDULE A (POINTS)													i			
AMORTIZATION																
orused t																
2000	86/91/11		4,220		i	i	:			4,220		1/5	30	i	12	
TOTAL AMORTIZATION			4,220	•	0	0	0	0	0	4,220	0			;	12	
TOTAL DEPRECIATION			0		0	0	0	0	0	0	0			ii	0	
GRAND TOTAL AMORTIZATION			4,220		0	0	0	0	0	4,220	0				12	
GRAND TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0	
	4			**		**								ii	***	

THOMAS J. GONZALES
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Document 1-4 Filed 07/02/

FIECEASED (THOMAS J. GONZALES) 12/04/01 1040X Amended U.S. Individual Income Tax Return OMB No. 1545-0091 ovember 1999) See separate instructions. This return is for calendar year > OR fiscal year ended > Your social security number PLEASE THOMAS J. GONZALES 545-13-6755 If a joint return, spouse's first name and initial Last name Spouse's social security number Home address (no. and street) or P.O. box if mail is not delivered to your home PRINT Apt. no. Telephone number (optional) 134 LAKES BLVD City, town or post office, state, and ZIP code. If you have a foreign address, see page 2 of the instructions. For Paperwork Reduction Act DAYTON, NV 89403 Notice, see page 6. A If the name or address shown above is different from that shown on the original return, check here Has the original return been changed or audited by the IRS or have you been notified that it will be? ☐ Yes X No Filing status. Be sure to complete this line. Note: You cannot change from joint to separate returns after the due date. On original return > Single Married filing joint return Married filling separate return Qualifying widow(er) Head of household On this return > Single Married filling joint return Married filing separate return Head of household . . Qualifying widow(er) \* If the qualifying person is a child but not your dependent, see page 2. A. Original amount USE PART II ON BACK TO EXPLAIN ANY CHANGES B. Net change -amount of increase or as previously C. Correct adjusted (see page 2) or (decrease) amount Income and Deductions (pages 2-5) explain in Part II 1 Adjusted gross income (see page 3) ...... -8,669,562 1 268,346 -8,401,216 Itemized deductions or standard deduction (see page 3) ..... 2 67,432 -5,748 61,684 Subtract line 2 from line 1 ..... 3 200,914 -8,663,814 -8,462,900 Exemptions. If changing, fill in Parts I and II on back ....... 4 2,750 2,750 Taxable income. Subtract line 4 from line 3 ... 5 200,914 -8, 666,564 -8,465,650 Tax (see page 4). Method used in col. C TAX TABLE 6 60,596 6 -60,596 Credits (see page 4) ..... 7 Subtract line 7 from line 6. Enter the result but not less than zero 8 60,596 -60,596 Other taxes (see page 4) ..... 9 10 Total tax. Add lines 8 and 9 ..... 10 60,596 -60,596 Federal income tax withheld and excess social security and RRTA tax withheld. If changing, see page 4 ...... 11 38,873 38,873 Estimated tax payments, including amt applied from prior year's return ... 12 12 13 13 Additional child tax credit from Form 8812 ..... 14 14 Credits from Form 4136 or Form 2439 ..... 15 15 Amount paid with request for extension of time to file (see page 4) 16 16 Amount of tax paid with original return plus additional tax paid after it was filed 17 17 21,723 Total payments. Add lines 11 through 17 in column C ...... 18 60,596 18 Refund or Amount You Owe Overpayment, if any, as shown on original return or as previously adjusted by the IRS 19 19 Subtract line 19 from line 18 (see page 5) 20 20 60,596 21 AMOUNT YOU OWE. If line 10, column C, is more than line 20, enter the difference and see page 5 ...... 21 22 If line 10, column C, is less than line 20, enter the difference 22 60,596 Amount of line 22 you want REFUNDED TO YOU ..... 23 60,596 Amount of line 22 you want APPLIED TO YOUR 24 ESTIMATED TAX 24 Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information Sign Here which the preparer has any knowledge. Joint return? See page 2. 8-10-6 Keep a copy for Your signature Spouse's signature. If a joint return, BOTH must sign Date Preparer's Date Preparer's SSN or PTIN Check if self-employed signature Paid STEVEN P. SMITH П 573-90-7124 arer's CLEARY Firm's name COMYNS, SMITH MC DEAV EIN 68-0307221 (or yours if self-employed) Dnly 3470 MT. DIABLO BLVD. #A110 ZIP code and address

LAFAYETTE

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27 Your dependent children who did not live with you due to divorce/separation 28 Other dependents	If you are not follow the following in the following from the followin	nore exemptions, complete exemptions, complete exemptions, complete exemptions, complete exemptions of the complete exemptions of	ons, do not complete this partifices 25-31, a lines 25-30.			of exe	imptions reported	B. Ne		C. Correct
Tax Exemption amonthor of exemptions. Add lines 25 through 28  Total number of exempt	If claiming in If cla	ewer exemptions, complete ewer exemptions, complete pouse	o lines 25-31, e lines 25-30.			of exe	imptions reported	B. Ne	rt change	
Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.  27 Your dependent children who lived with you  28 Other dependents  29 Total number of exemptions. Add lines 25 through 28  29 Total number of exemptions. Add lines 25 through 28  29 Total number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Tax  28 Exemption  29 Total number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Part I See Exemption  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  11 Explanation of Changes to Income, Deductions, and Credits  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Extending the supporting forms and schedules for the items changed. If you do not attach the re	caution. If you (even if they of 26 Your depender Your depender Control of the control of the control Control of t	r parents (or someone else rose not to), you cannot clai rt children who lived with yo	Can claim you as a desert					1		
Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.  27 Your dependent children who lived with you  28 Other dependents  29 Total number of exemptions. Add lines 25 through 28  29 Total number of exemptions. Add lines 25 through 28  29 Total number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Tax  28 Exemption  29 Total number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Part I See Exemption  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  10 Exemption line 1 is over:  11 Explanation of Changes to Income, Deductions, and Credits  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only returned. Be sure to include your name and social security number on any attachments.  Extending the supporting forms and schedules for the items changed. If you do not attach the re	(even if they of Your depender Your depender Other depender	r parents (or someone else rose not to), you cannot clai rt children who lived with yo	Can claim you as a desert		25			<del>,                                    </del>		
28 Your dependent children who lived with you will be divorced separation 27 Your dependent children who did not live with you due to divorced separation 28 Your dependents. Add lines 25 through 28 28 29 1 1  30 Multiply the number of exemptions. Add lines 25 through 28 29 1 1  31 Dependents children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  30 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  30 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  30 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  30 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  30 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (f) below.  40 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. F	<ul><li>26 Your depender</li><li>27 Your depender</li><li>28 Other depende</li></ul>	it children who lived with yo						1		
27 Out dependent children who did not live with you due to divorce/separation 28 Other dependents 29 Total number of exemptions. Add lines 25 through 28 29 1 30 Multiply the number of exemptions. Add lines 25 through 28 30 Multiply the number of exemptions. Add lines 25 through 28 31 Tax Exemption 30 Multiply the number of exemptions. Add lines 25 through 28 31 Exemption 30 Multiply the number of exemptions. Add lines 25 through 28 31 In the amount of line 4 to over: 31 Separate and other) not claimed on original (or adjusted) return: 32 Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete column (e) below. 30 2,750 2,750 30 30 2,750 2,75 31 Dependents acrial separate a	<ul><li>27 Your depender</li><li>28 Other depender</li></ul>		u		26					
Total number of exemptions. Add lines 25 through 28  Total number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Tax Exemption line 4 on page 3 if the amount 1996   1996   2.700   1997   2.650   88.475   300   2,750   2,750   2,750   2,750   1997   2.650   88.475   300   2,750   2,750   2,750   2,750   1996   2.5550   88.475   300   2,750   2	zs omer depende	it children who did not live w	ith you due to divorce/separ	ation	-					
Multiply the number of exemptions. Add lines 25 through 28  Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.  Tax Exemption amount line 1 is over:		nts			1			<del> </del>		
But see the instructions for line 4a, year you are amending. Enter the result here and on line 4.    Tax   Exemption amount   Substitutions for line 4 on page 3 if the amount on line 1 is over: \$1.999	30 Multiply the nur	r exemptions. Add lines 25 to inber of exemptions claimed	through 28		29			L		
Second   S	below for the ta	x year you are amending. E	inter the result here and on li	ine 4.						
1998 \$2,750 \$34,078 \$9,000 \$9,			line 4 on page 3 if	the						
1997 2.650 99.400 1996 2.555 99.400 2.750 2.755  31 Dependents (children and other) not claimed on original (or adjusted) return: Note: For tax years after 1997, do not complete column (e) below. For tax years before 1998, do not complete  (b) Dependent's social security number. It born in the lax year year or and security number. It born in the lax year year year year year well (see page 5) in your home reading, see page 5.  Part II Explanation of Changes to Income, Deductions, and Credits  Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. See sure to include your name and social security number on any attachments.  the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in thich the loss or credit occurred. See page 1 of the instructions, also, check here  AXPAYER IS CARRYING BACK NET OPERATING LOSS FROM 2001 AS ADJUSTED PURSUANT TO EFUND CLAIM SUBMITTED. TAXPAYER UNDERSTANDS THAT THE CARRYBACK OF A 2001 NET PERATING LOSS IS TO BE CARRIED BACK PURSUANT TO A FIVE YEAR CARRYBACK, IE, TO ND 1997 RETURNS, YET CONFIDENT THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT PERATING LOSS IS TOO BE CARRIED BACK PURSUANT TO A FIVE YEAR CARRYBACK IE, TO ND 1997 RETURNS, YET CONFIDENT THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO OFFSET ALL TAXABLE INCOME REPORTED IN THE ENTIRE FIVE YEAR CARRYBACK EFICENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2001 IS SUFFICIENT IN AMOUNT TO DEFINE THAT THE LOSS IN 2		\$2,750		over:						
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2001	NOL WORKSHEETS		PAGE 1
V	THOMAS J. GONZALES		545-13-6755
<b>COM</b>	PUTATION OF 2001 NET OPERATING LOSS		
2A. 2B.	ADJUSTED GROSS INCOME ITEMIZED OR STANDARD DEDUCTION EXEMPTION DEDUCTION ADD LINES 2A AND 2B	2,196,483. 2,900.	-6,558,190.
3. 4. 5.	SUBTRACT LINE 2C FROM LINE 1 EXEMPTION DEDUCTION FROM LINE 2B NONBUSINESS CAPITAL LOSSES	14,741,873.	2,199,383. -8,757,573. 2,900.
6. 7. 8. 9.	NONBUSINESS CAPITAL GAINS EXCESS OF LINE 5 OVER LINE 6 EXCESS OF LINE 6 OVER LINE 5	983,607. 13,758,266. 0.	
10. 11. 12.	NONBUSINESS DEDUCTIONS NONBUSINESS INCOME ADD LINES 8 AND 10 EXCESS OF LINE 9 OVER LINE 11	210,114. 966,343. 966,343.	
13. 14. 15.	EXCESS OF LINE 11 OVER LINE 9 BUSINESS CAPITAL LOSSES BUSINESS CAPITAL GAINS	0. 0.	0.
16. 17. 18.	ADD LINES 13 AND 15 EXCESS OF LINE 14 OVER LINE 16 ADD LINES 7 AND 17	19,000. 19,000. 0. 13,758,266.	
19. 20. 21.	LOSS FROM SCHEDULE D, LINE 17 SECTION 1202 EXCLUSION SUBTRACT LINE 20 FROM LINE 19	13,739,266.	0.
22. 23. 24.	LOSS FROM SCHEDULE D, LINE 18 SUBTRACT LINE 22 FROM LINE 21 SUBTRACT LINE 21 FROM LINE 22	3,000. 13,736,266.	0.
25. 26. 27.	SUBTRACT LINE 23 FROM LINE 18 PRIOR YEARS' NET OPERATING LOSSES 2001 NET OPERATING GAIN (LOSS)		22,000. 0.
	(COMBINE LINES 3, 4, 12, 20, 24, 25, AND 26)		<u>-8,732,673.</u>

2001	NOL WORKSHEETS		PAGE 2
	THOMAS J. GONZALES		545-13-6755
сом	IPUTATION OF 2001 AMT NET OPERATING LOSS		
1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	FORM 6251, LINE 21 NONBUSINESS CAPITAL LOSSES NONBUSINESS CAPITAL GAINS EXCESS OF LINE 2 OVER LINE 3 EXCESS OF LINE 3 OVER LINE 2 NONBUSINESS DEDUCTIONS NONBUSINESS INCOME ADD LINES 5 AND 7 EXCESS OF LINE 6 OVER LINE 8 EXCESS OF LINE 8 OVER LINE 6 BUSINESS CAPITAL LOSSES	14,741,873. 983,607. 13,758,266. 0. 6,559. 822,570. 822,570.	-6,370,217. 0.
12. 13. 14.	BUSINESS CAPITAL LOSSES BUSINESS CAPITAL GAINS ADD LINES 10 AND 12 EXCESS OF LINE 11 OVER LINE 13 ADD LINES 4 AND 14 LOSS FROM SCHEDULE D, LINE 17 SECTION 1202 EXCLUSION SUBTRACT LINE 17 FROM LINE 16 LOSS FROM SCHEDULE D, LINE 18 SUBTRACT LINE 19 FROM LINE 18 SUBTRACT LINE 19 FROM LINE 19 SUBTRACT LINE 18 FROM LINE 19 SUBTRACT LINE 20 FROM LINE 19 SUBTRACT LINE 20 FROM LINE 15 2001 AMT NET OPERATING GAIN (LOSS) (COMBINE LINES 1, 9, 17, 21, AND 22)	19,000. 19,000. 0. 13,758,266. 13,739,266. 13,739,266. 3,000. 13,736,266.	0. 0. 22,000. -6,348,217.



momas J. Gonzales		
	Regular	AMT
2001 Per NOL Worksheets 1996	(8,732,673) TBD	(6,348,217) TBD
To 1997	(8,732,673)	(6,348,217)
1997	TBD	TBD
To 1998	(8,732,673)	(6,348,217)
1998 Per NOL Worksheets	63,111	72,012
To 1999	(8,669,562)	(6,276,205)
1999 Per NOL Worksheets	200,914	209,309
To 2000	(8,468,648)	(6,066,896)
2000 Per NOL Worksheets	160,794	581,114
Unused NOL	(8,307,854)	(5,485,782)

DECEASED		OMAS J. GONZALES 12/04/01						
ି 1040	Depr	trient of the Timesury - Internet Pleasures Course	1000					
M		5. Individual Income Tax Return	1999 (99) IRS	Use Only - Do not write o	r stanle in	this space		
and I	Fo	the year Jan. 1 - Dec. 31, 1999, or other tax year beginning our first name and initial	, 1999, ending	,	· staple iii		o. 1545-007	74
			Last name		Yours	ocial security		-
Instructions on page 18.)	B B	THOMAS J. GONZALES s joint return, spouse's first name and initial			54	15-13	-6755	5
Use the IRS	Ē	, and a more results and a miner	Last name		Spous	e's social sec	curity number	•
label.	_	wine address (number and street). If you have a P.O. box, see page 18.						
Otherwise, please print		L34 LAKES BLVD		Apt. no.	<b>A</b>	IMPOR	RTANT	4
or type.	EC	y, town or post office, state, and ZIP code. If you have a foreign address	I, 5ee page 18,		-		u <b>st</b> enter	
Presidential		DAYTON, NV 89403	•			your SSN		
Election Cam	paign 📐	Do you want \$3 to go to this fund?			Yes	No Not	te: Checking not change	Yes" your
(See page 18.)		if a joint return, does your spouse want \$3 to go to this	fund?		-		or reduce yo	
Filing State	1	△ Single						
Filing Statu	_	Married filing joint return (even if only one had	income)					
Check only	3	Married filing separate return. Enter spouse's	soc. sec. no. above & full nam	e here 🕨				
one box.	4	Head of household (with qualifying person). (S	ee page 18.) If the qualifying	person is a child but	not you	r depende	∍nt,	
	5	enter this child's name here						
	6	Qualifying widow(er) with dependent child (year  Yourself. If your parent (or someone else) can or	r spouse died ▶ 19	). (See page 18.)				
Exemption		return, do not check box 6a	ciaim you as a dependent on	his or her tax				
	1				`` }	No. of boxe checked or	n	_
		Dependents: (2) Depend			ualifying	6a and 6b		1
		(1) First Name Last name security		child for oh	tild tax	No. of your children on 6c who:	, 1	
				1000(000	pa <b>go</b> 13)	e lived wit	ih vou	
If more than six						_ did not li	ive with	
dependents, see page 19.	<del></del>					" You due to or separation	divorce on	
						" (see page 1	19)	
						Dependents on 6c not	8	
					···	entered abo	ov•	
	d	Total number of exemptions claimed				Add numbe entered on		
	7	Wages, salaries, tips, etc. Attach Form(s) W-2				lines above		1
Income	88	Taxable interest. Attach Schedule B if required	• • • • • • • • • • • • • • • • • • • •				1,963 1,338	<del> </del>
	þ	Tax-exempt interest. DO NOT include on line 8a	8b				, 336	┼
Attach Copy 13 of your	9	Ordinary dividends. Attach Schedule B if required		9			697	
Forms W-2 and W-2G hers.	10	I axable refunds, credits, or offsets of state and local in	ncome taxes (see page 21)	10	,	3	,903	1
Also attach Form 1099-R if	11 12	Alimony received						<u> </u>
tax was withheld.	13	Business income or (loss). Attach Schedule C or C-EZ			!			
	14	Capital gain or (loss). Attach Schedule D if required. If Other gains or (losses). Attach Form 4797	not required, check here	► ∐ · · · · · · <u>13</u>	<u> </u>	115	,445	
	15a	Total IRA distributions   15a	1 1					
	16a	Total pensions and annuities 16a	b Taxable amo					<u> </u>
If you did not	17	Rental real estate, royalties, partnerships, S corporation	ns, trusts, etc. Attach Schedu	unt (see pg. 22)   161  e E   17				ļ
get a W-2, see page 20.	18	Farm Income or (loss). Attach Schedule F	• • • • • • • • • • • • • • • • • • • •		+			
Enclose, but do not	19	Unemployment compensation			+			
attach any payment. Also, please use	20a	Social security benefits   20a	b Taxable amor		,†			
Form 1040-V.	21	Other Income. NET OPERATING LOSS	CARRY <b>BACK</b>	21		3,669	.562	
	22	Add the amounts in the far right column for lines 7 throu	gh 21. This is your total inco	me <b>▶</b> 22		3,401		
Adjusted	23 24	IRA deduction (see page 26)	23					
Adjusted Gross	25	Student loan interest deduction (see page 26) Medical savings account deduction. Attach Form 8853	24					
Income	26	Moving expenses. Attach Form 3903	<i>i</i> /1 A				1	
	27	One-half of self-employment tax. Attach Schedule SE		NANA				
	28	Self-employed health insurance deduction (see page 28	# 10 2 1 1 G	HACU	1			
7	29	Keogh and self-employed SEP and SIMPLE plans	28		1			
	30	Penalty on early withdrawal of savings	30					
	31 <b>a</b>	Alimony paid. b Recipient's SSN ▶	318					
	32	Add lines 23 through 31a	*******	32	1			
	33	Subtract line 32 from line 22. This is your adjusted gros	s income.	▶ 33	-8	,401,	216	
Or Dischasina I	Jrive ou	A A D				,,		

Form 1040 (1999) THOMAS J. GONZALES 545-13-6755 Page 2 34 Amount from line 33 (adjusted gross income) Tax and -8,401,216 35 a Check if: You were 65 or older, Blind: Credits ☐ Spouse was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here ...... ▶ 35a dard b If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 30 and check here ...... ▶ 35b Deduction for Mose 36 Enter your Itemized deductions from Schedule A, line 28, OR standard deduction People shown on the left. But see page 30 to find your standard deduction if you checked Single: any box on line 35a or 35b or if someone can claim you as a dependent ...... 36 61,684 \$4,300 37 Subtract line 36 from line 34 ..... -8,462,900 Head of 37 household: 38 If line 34 is \$94,975 or less, multiply \$2,750 by the total number of exemptions claimed on line 6d. \$8,350 If line 34 is over \$94,975, see the worksheet on page 31 for the amount to enter 38 2,750 Married filing Taxable Income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0jointly or Qualifying widow(er): ............ 39 0 40 Tax (see page 31). Check if any tax is from a Form(s) 8814 b Form 4972..... 40 ō \$7,200 41 Credit for child and dependent care expenses. Att. Form 2441 ..... 41 Married 42 Credit for the elderly or the disabled. Attach Schedule R ..... filing separately \$3,600. 43 Child tax credit (see page 33) ..... 43 44 Education credits. Attach Form 8863 ..... 44 45 Adoption credit. Attach Form 8839 ..... 45 46 Foreign tax credit. Attach Form 1116 if required ...... 46 47 Other. Check if from a Form 3800 **b** Form 8396 d ☐ Form (specify) c | Form 8801 48 Add lines 41 through 47. These are your total credits ...... 49 Subtract line 48 from line 40. If line 48 is more than line 40, enter -0-0 50 Self-employment tax. Att. Sch. SE ..... Other 50 51 Alternative minimum tax. Attach Form 6251 ..... Taxes 51 52 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 52 53 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required ..... 54 Advance earned income credit payments from Form(s) W-2 Household employment taxes. Attach Schedule H ..... 55 Add lines 49 through 55. This is your total tax 56 ō 57 Federal income tax withheld from Forms W-2 and 1099 ents 38,873 57 58 1999 estimated tax payments and amount applied from 1998 return . 58 59 a Earned income credit. Att. Sch. EIC if you have a qualifying child. **b** Nontaxable earned income: amt. and type > NO 59a 60 Additional child tax credit. Attach Form 8812 ..... 60 61 Amount paid with request for extension to file (see page 48) ....... 61 62 Excess social security and RRTA tax withheld (see page 48) ...... 62 63 Other payments. Check if from a Form 2439 b Form 4136 . 63 64 Add lines 57, 58, 59a, and 60 through 63. These are your total payments 38,873 65 If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you OVERPAID ...... Refund 38,873 66a Amount of line 65 you want REFUNDED TO YOU ..... 668 38,873 Have it directly **b** Routing number deposited! See page 48 and fill in 66b, ▶ c Type: ☐ Checking d Account number 66c, and 66d. 67 Amount of line 65 you want APPLIED TO 2000 ESTIMATED TAX 68 If line 56 is more than line 64, subtract line 64 from line 56. This is the AMO Amount For details on how to pay, see page 49 ..... You Owe 69 Estimated tax penalty. Also include on line 68 Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are Sign true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Here Your signature

oint return?			DEG	Your occupation			Daytime telephone
ве раде 18. вер в сору				CHIEF ?	TECHNOLOG	O YE	number (optional)
r your	Spouse's signature. If	a joint return, BOTH must sign.	Date	Spouse's occupa			
äາ <b>ບ</b> ໍ່	Preparer's signature STI	EVEN P. SMITH		Date	Check if self-employed		Preparer's SSN or PTIN 573 - 90 - 7124
reparer's se Oniv	Firm's name (or yours		CCLEARY &	DEAV		EIN	68-0307221
	if self-employed) and address	AFAYETTE, CA	BLVD. #A11	L O		ZIP code	94549
					<del></del>		

SCHEDULES (Form 1040)	S A&I	Schedule A – Itemized Deductions			OMB No. 1545-0074			
Department of the Tre				19	999			
Internal Revenue Ser	vice	(99) Attach to Form 1040. See instructions for Schedul	les A and B (Form 1040).	Attachmen Sequence				
Nag hown on Fo	orm 1040			Your social secu				
MAS	<u>J. (</u>	GONZALES		545-13-6	5755			
Medical		Caution: Do not include expenses reimbursed or paid by others.						
and	1	Medical and dental expenses (see page A-1)	1					
Dental Expenses	2	Enter amount from Form 1040, line 34 2						
Expenses	3	Multiply line 2 above by 7.5% (.075)	3					
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	0			
Taxes You	5	State and local income taxes	5 23,323					
Paid	6	Real estate taxes (see page A-2)	6 3,634	1 1				
	7	Personal property taxes	7 2,850	1 1				
(See page A-2.)	8	Other taxes. List type and amount		1				
page A-2.)	J	<b>-</b>						
			8					
	9	Add lines 5 through 8		9	29,807			
Interest	10	Home mortgage interest and points reported on Form 1098 . STM 2	10 31,736					
You Paid	11	Home mortgage interest not reported on Form 1098. If paid to the person from		1				
(See page A-3.)		whom you bought the home, see page A-3 & show that person's name, ID no. & address						
p==0 o.,	•	<b>-</b>						
			1 1					
Note: Personal								
Interest is			11					
deductible.	12	Points not reported on Form 1098. See page A-3 . SEE . STMT 3	12 141					
	13	Investment Interest. Attach Form 4952, if required. (See page A-4)	13					
-934	14	Add lines 10 through 13		14	31,877			
GI	15	Gifts by cash or check. If any gift of \$250 or more, see pg. A-4. S.T 4	15 10,000					
lf you made a	16	Other than by cash or check. If any gift of \$250 or more, see page A-4.						
gift and got a	17	You MUST attach Form 8283 if over \$500 Carryover from prior year	16					
benefit for it, see page A-5.	18	Add lines 15 through 17 DISALLOWED. CONTRIBUTION	17 10 000	332,877	_			
Casualty and	19		NS	18	0			
Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-5.)		19	0			
Job Expenses and Most Other	20	Unreimbursed employee expenses - Job travel, union dues, Job education,						
Miscellaneous		etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.)						
Deductions			4 1					
			-					
			20					
	21	Tax preparation fees	21					
	22	Other expenses - investment, safe deposit box, etc. List type and amount						
	<b>&gt;</b>		1 1 1	_1 L _1				
			As Amen					
See								
page A-5 for expenses to								
leduct here.)			22					
	23	Add lines 20 through 22	23					
	24	Enter amount from Form 1040, line 34 24						
	25	Multiply line 24 above by 2% (.02)	25					
······	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	0			
ther	27	Other - from list on page A-6. List type and amount						
/liscellaneous led⊮≧lons				(				
( ) The state of t								
. ~ 23				27	0			
Otar	28	Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately						
lemized leductions		No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, extent this amount on Form 1040 line 29.	n					
CGGCGCII3		for lines 4 through 27. Also, enter this amount on Form 1040, line 36		28	61,684			
		Yes. Your deduction may be limited. See page A-6 for the amount to ente	er.					

. 6			
Schedules A&B	(Form 1040) 1999	OMB No. 1545-0074	
	on Form 1040. Do not enter name and social security number if shown on other side.	Your social sec	Page 2
THOMA	S J. GONZALES	545-13-	-
	Schedule B - Interest and Ordinary Dividends		Attachment Sequence No. 08
Parti	Note: If you had over \$400 in taxable interest, you must also complete Part III.	<del></del>	
Interest			Amount
(See page B-1 and the instructions for Form 1040,	1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address FRANCHISE TAX BOARD		10
line 8a.)	MT DIABLO NAT'L BANK		4,303
	WELLS FARGO		
Note: If you received a Form			25
1099-INT, Form 1099-OID, or substitute statement from		1	
a brokerage firm list the firm's name as the			
payer and enter the total interest			
shown on that form.			
	2 Add the amounts on line 1.		4,338
	3 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You MUST attach Form 8815.		4,336
	4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a	> 4	4,338
	Note: If you had over \$400 in ordinary dividends, you must also complete Part III.		
Y ry			Amount
See page B-1	5 List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13. ▶		
nstructions for form 1040, ne 9.)	MERRILL LYNCH DLJ INVESTMENT		608 89
lote: If you		5	
oceived a Form 099-DIV or			
ubstitute latement from brokerage			
m, list the m's name as	~ / / c/ ~	nand	
e payer nd enter e ordinary		HOLL	
ridends shown that form.			
	6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9		
		> 6	<u>697</u>
art III oreign	You must complete this part if you (a) had over \$400 of interest or ordinary dividends; (b) had a foreign account; (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.	or	Vac No

7a At any time during 1999, did you have an interest in or a signature or other authority over a financial account in a foreign

b If "Yes," enter the name of foreign country
During 1999, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing

requirements for Form TD F 90-22.1

Accounts

and

Trusts

X

X

#### SCHEDULE D (Form 1040)

Department of the Treasury Inter Evenue Service (99) Nav. Shown on Form 1040

## Capital Gains and Losses

► Attach to Form 1040.

▶ See Instructions for Schedule D (Form 1040).

Use Schedule D-1 for more space to list transactions for lines 1 and 8.

OMB No.1545-0074

Attachment Sequence No. 12

Na Frown on Form 1040
FFOMAS J. GONZALES

Your social security number

Part I Short-Terr	n Canital Gain	e and Losses	Agoda Uald C		545-1	3-6755
(a) Description of property			- Assets Held On		~	
(Example, 100 sh. XYZ Co.)  COBALT NETWOR	(Mo., day, yr.)	(C) Date sold (Mo., day, yr.)	(d) Sales price (see page D-5)	(e) Cost or other basis (see page D-5)	(f) GAIN or (LOSS) Subtract (e) from (d)	
CODALL NEIWOR		11/10/99	60 276	11 000		]
FINISAR CORP-	400 SHRS	11/10/33	60,276	11,000	49,276	1
	11/11/99	11/12/99	31,874	7,600	24,274	
NEXT LEVEL-20					21/2/1	1
WEBVAN GROUP-	11/09/99	11/10/99	10,434	4,000	6,434	
N-2 VIII GROOT		11/05/99	13,232	7 500		
2 Enter your short-term total Schedule D-1, line 2	als, if any, from			7,500	5,732	
3 Total short-term sales Add column (d) of lines 1	price amounts.		72,529 188,345		29,729	)
4 Short-term gain from Form	m 6252 and short-te	rm gain or (loss) fr	om			1
Forms 4684, 6781, and 8	824	• • • • • • • • • • • • • • • • • • • •				
5 Net short-term gain or (lo	ss) from partnershir	s. S cornorations	actates and trusta from t	Sobodula(a) (C.)		
6 Short-term capital loss ca	rrvover. Enter the a	mount if any from	line 8 of your			
1998 Capital Loss Carryo	ver Worksheet		••••••	6		
7 Net short-term capital of Long-Term	Capital Gains	and Losses	h 6 in column (f) - Assets Held Mor	Then One Year	115,445	
escription of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or	(f) GAIN or (LOSS)	(g) 28% FIATE GAIN
் இற்று (100 sh. XYZ Co.)	(Mo., day, yr.)	(Mo., day, yr.)	(see page D-5)	other basis (see page D-5)	Subtract (e) from (d)	or ((LOSS) * (see instr. below)
						,
						L
Enter your long-term totals	s, if any, from					
Schedule D-1, line 9		9		L		
Total long-term sales pr Add column (d) of lines 8 a	ice amounts. and 9					
Gain from Form 4797, Part	t I; long-term gain fr	om Forms 2439 an	d 6252:	- Aa i	MAAAA	
and long-term gain or (loss	) from Forms 4684,	6781, and 8824	• • • • • • • • • • • • • • • • • • • •			<b>长()</b>
Net long-term gain or (loss)	) from partnerships,	S corporations, es	states, and trusts from Sc	hedule(s) K-1 . 12		
Capital gain distributions. S						
Long-term capital loss carry	vover. Enter in both	columns (f) and (c	the amount	13		
if any, from line 13 of your	1998 Capital Loss C	Carryover Workshe	et		) (	
Combine lines 8 through 14	rin column (g)	• • • • • • • • • • • • • • • • • • • •				
ong-term capital gain	n or (loss). Combir	ne lines 8 through 1	l 4 in column (f)			
t: Go to Part III on the b	ack.					

Document 1-4 Filed 07/02/2008

Schedule D (Form 1040) 1999 THOMAS J. GONZALES

545-13-6755 Page 2

	Part III Summary of Parts I and II	
1	bine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13	17 115,445
	Complete Form 1040 through line 39. Then, go to Part IV to figure your tax if:	113,445
	Both lines 16 and 17 are gains, and	
4	Form 1040, line 39, is more than zero.	
•	If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the smaller of these losses:	
	• The loss on line 17; or	
	(\$3,000) or, if married filing separately, (\$1,500)  Next: Skip Part IV below Instead complete Form 1040 through line 07. There	18 (
	Next: Skip Part IV below. Instead, complete Form 1040 through line 37. Then, complete the Capital Loss Carryover Worksheet on page D-6 if:	
	The loss on line 17 exceeds the loss on line 18, or	
_	● Form 1040, line 37, is a loss.	
	Part IV Tax Computation Using Maximum Capital Gains Rates	
19	Enter your taxable income from Form 1040, line 39	
20	Enter the smaller of line 16 or line 17 of Schedule D	19
21	If you are filing Form 4952, enter the amount from Form 4952, line 4e	
44	2 Subtract line 21 from line 20. If zero or less, enter -0-	<del>- [                                   </del>
23	Combine lines 7 and 15. If zero or less, enter -0-	
24	Enter the smaller of line 15 or line 23, but not less than zero	
25	Enter your unrecaptured section 1250 gain, if any, from line 16 of the worksheet on, page D-7	
26	Add lines 24 and 25	
20	Subtract line 26 from line 22. If zero or less, enter -0-	27
	Subtract line 27 from line 19. If zero or less, enter -0- Enter the <b>smaller</b> of:	28
2.5	The amount on line 19, or  The amount on line 19, or	
	\$25,750 if single: \$42,050 if montant (ii) and the single is a single in the single in	
	\$25,750 it single, \$45,050 it married filing jointly or qualifying widow(er); \$21,525 if married filing separately; or \$34,550 if head of household	29
	at the smaller of line 28 or line 20	
31	edbtract line 22 from line 19. If zero or less, enter -0-	4 1
32	Enter the larger of line 30 or line 31	
33	Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies	33
	Note: If line 29 is less than line 28, go to line 38.	
34	Enter the amount from line 29	
35	Enter the amount from line 28	
37	Subtract line 35 from line 34. If zero or less, enter -0-  Multiply line 36 by 10% (10)	
٠.	Multiply line 36 by 10% (.10)  Note: If line 27 is more than zero and equal to line 36, go to line 52.	37
38	Enter the smaller of line 19 or line 27	
39	Enter the amount from line 38	
40	Subtract line 39 from line 38	<b>-</b>
41	Multiply line 40 by 20% (.20)	
	Note: If line 25 is zero or blank, skip lines 42 through 47 and read the note above line 48	- <del> </del>
42	Enter the smaller of line 22 or line 25	MAC
43	Add lines 22 and 32	
44	Enter the amount from line 19	
45	Subtract line 44 from line 43. If zero or less, enter -0-	
40	Subtract line 45 from line 42. If zero or less, enter -0-	
4/	Multiply line 46 by 25% (.25)	47
48	Note: If line 24 is zero or blank, go to line 52.	
49	Enter the amount from line 19	
50 5	SUDITACI ING 49 from line 49	3 (1) 1- 102
51/	Dly line 50 by 28% (.28)	
1		51
52	d lines 33, 37, 41, 47, and 51	
5 <b>3</b> F	Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies	52
		53
54 T	ax on all taxable income including capital gains. Enter the smaller of line 52 or line 53 here and on Form 1040, line 40	54

Schedule D-1 (Form 1040)

of the Treasury evenue Sevice (99) shown on Form 1040

## Continuation Sheet for Schedule D (Form 1040)

► See instructions for Schedule D (Form 1040). ▶ Attach to Schedule D if you need more space to list transactions for lines 1 and 8. OMB No. 1545-0074

1999

Attachment Sequence No. 12A

Your social security number

THOMAS J. GONZALES

545-13-<u>6755</u> Short-Term Capital Gains and Losses-Assets Held One Year or Less Part I (a) Description of property (Example: 100 sh. XYZ Co.) (c) Date sold (Mo., day, yr.) (b) Date (d) Sales price (see page D-5) (f) GAIN or (LOSS). acquired (Mo., day, yr.) Subtact (e) from (d) (see page D-5) BE FREE-100 SHRS 11/03/99|11/16/99 2,612 1,200 1,412 CLASSIC COMMUNICATIONS 200 SHRS 12/07/99|12/08/99 5,762 5,000 762 DIGITAL IMPACT-100 SHR\$ 11/22/99 11/23/99 3,719 1,500 2,219 DRUGSTORE COM 75 SHRS 7/27/99 10/11/99 2,972 1,350 1,622 GOTO.COM-200 \$HRS 6/18/99 6/29/99 4,275 3,000 1,275 INSIGHT COMM. 300 SHRS 7/21/99 10/11/99 8,868 7,350 1,518 INTERLIANT-200 SHRS 7/07/99 7/08/99 3,000 2,000 1,000 JNI CORP-100 \$HRS 10/26/99 11/16/99 8,500 1,900 6,600 NETWORK PLUS-200 SHRS 6/29/99 6/30/99 5,462 3,200 2,262 ZERO-100 SHRS 9/23/99 10/11/99 2,931 1,600 1,331 RADIO UNICA-150 SHRS 10/18/99 11/16/99 3,890 2,400 1,490 SYMYX TECH-200 SHRS 11/17/99 12/21/99 5,225 2,800 2,425 XPEDIOR-500 SHRS 12/16/99 12/21/99 15,313 9,500 5,813 Amended Totals. Combine columns (d) and (f). Enter here and on Schedule D, line 2 ..... 72,529 29,729

999 F	EDERAL S	STATEMEN	TS			PAGE 1
	THOMAS	J. GONZALES				545-13-6755
STATEMENT 1 FORM 1040 WAGE SCHEDULE						
TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	SDI
COMMERCE ONE INC GRAND TOTAL	143,963 143,963	38,873 38,873	4,501	2,232	11,164	
STATEMENT 2 SCHEDULE A, LINE 10 HOME MORTGAGE INTEREST REPORT BANK UNITED CONSECO NATIONAL CITY STATEMENT 3						23,322 6,304 2,110 31,736
SCHEDULE A, LINE 12 DEDUCTIBLE POINTS				TOTA	. <u>\$</u> L <u>\$</u>	141
STATEMENT 4 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR CHECK VARIOUS		**********		TOTAL	: <u>\$</u>	10,000 10,000

1999	NOL WORKSHEETS	PAGE 1
	THOMAS J. GONZALES	545-13-6755
NET C	PERATING LOSS CARRYOVERS USED IN 1999	
B. C. D.	CARRYBACK YEAR NOL YEAR INITIAL LOSS NOL CARRYOVER	1999 <b>2001</b> 8,732,673 8,669,562
	UTATION OF MODIFIED TAXABLE INCOME	
2. 3A. 3B. 4.	1999 TAXABLE INCOME NOL CARRYOVERS FROM YEAR B AND LATER YEARS NET CAPITAL LOSS DEDUCTION (FORM 1040, LINE 13) GAIN EXCLUDED ON SALE OF QUALIFIED BUSINESS STOCK ADJUSTMENTS TO AGI	-8,465,650 8,669,562 0 0
о.	ADJUSTMENTS TO ITEMIZED DEDUCTIONS PERSONAL EXEMPTIONS (FORM 1040, LINE 38) MODIFIED TAXABLE INCOME (ADD LINES 1,2,3A,3B,4,5 AND 6)	-5,748 2,750
		200,914
1	NOL ON LINE C ABSORBED THIS YEAR NOL ON LINE C NOT ABSORBED THIS YEAR	200,914 8,468,648
ADJUS	STMENTS TO ITEMIZED DEDUCTIONS	
10. A	999 ADJUSTED GROSS INCOME CARRYOVERS FROM YEAR B AND LATER YEARS ADD LINES 3A, 3B AND 4 FROM ABOVE MODIFIED AGI (ADD LINES 8, 9 & 10)	-8,401,216 8,669,562 0 268,346
ADJUS	TMENT TO CHARITABLE CONTRIBUTIONS	NI FORM RECO
10. 0	HARITABLE CONTRIBUTIONS (FORM 1040, SCH A, LN 18) HARITABLE CONTRIBUTIONS REFIGURED USING LN 11 UBTRACT LINE 18 FROM LINE 17	0 10,000 -10,000
T (.	OTAL ITEMIZED DEDUCTIONS ADJUSTMENT ADD LINES 16, 19, 24 AND 29)	-10,000
	1 . 1	_ 1 1



1999	NOL WORKSHEETS	PAGE 2
<u></u>	THOMAS J. GONZALES	545-13-6755
30. F0 31. AI 32. AI 33. SU 34. MU 35. SU 36. MU 37. EN 38. SU (N	ERATING LOSS CARRYOVERS USED IN 1999 (CONTINUED)  TMENT TO OVERALL ITEMIZED DEDUCTIONS LIMIT  DRM 1040, SCHEDULE A, LINE 28 DD LINES 15, 18, 23, 28 & FORM 1040, CHEDULE A, LINES 9, 14 & 27 DD LINES 15,23 & FORM 1040, SCHEDULE A, LINE B & GAMBLING LOSSES, LINE 27 DETRACT LINE 32 FROM LINE 31 DITIPLY LINE 33 BY 80% DETRACT \$126,600 (\$63,300 IF MFS) FROM LINE 11 DITIPLY LINE 35 BY 3% DETRACT LINE 37 FROM LINE 34 OR LINE 36 DETRACT LINE 37 FROM LINE 31 DITLESS THAN STANDARD DEDUCTION) DETAL LIMITED ITEMIZED DEDUCTION ADJUSTMENT UNBTRACT LINE 38 FROM LINE 30)	61,684 71,684 0 71,684 57,347 141,746 4,252 4,252 67,432 -5,748
A. CA B. NO C. IN D. NO	COPERATING LOSS CARRYOVERS USED IN 1999  RRYCK YEAR L YEAR ITIAL LOSS L CARRYOVER  ATION OF MODIFIED AMTI	1999 <b>2001</b> 6,348,217 6,276,205
3. MUI 4. PRI 5. MOI	FI BEFORE ATNOLD (FORM 6251, LINE 19) NOLD LIMITATION PERCENTAGE LTIPLY LINE 1 BY 2 FOR YEAR AMT CARRYOVERS ABSORBED IN CURRENT YEAR DIFIED AMTI (LINE 3 LESS LINE 4) OL ABSORBED THIS YEAR OL NOT ABSORBED THIS YEAR	232,566 0.900 209,309 0 209,309 209,309 6,066,896



Case 4:08-cv-03189-SBA	Document 1-4	Filed 07/02/2008	Page 45 of 52
		for the same of th	0

<u>.</u> .							
	_			141	0 0 0		
			1	0	" <b>"</b>		
		METHOO LI		8/1 3			
		PRIOR DEPR.		12	12		
DULE	·	DEPR.		4,220	0 6,220		
SCHE		SALVAGE VALUE	=	0			
TION	ALES	BASIS		0	"		
H.	J. GONZ	PRIOR DEC. BAL. DEPR.		0	0    0 0		
- DEP	HOMAS	PRIOR 179 BONUS		0	<b>—</b>		
EDERA		CUR BUS. 179 PCT. BONUS		0	0   0		
L EEC I		COST/ BASIS		4,220	0 4,220 0		
		DATE		•	11		
		DATE		11/16/98		As Amende	
		DESCRIPTION (POINTS)	ZATION	4MORT I ZATION	FPRECIATION  OTAL AMORTIZATION  OTAL DEPRECIATION		
		IO. CHEDULE A	AMORTI	1 POINTS TOTAL /	TOTAL D GRAND TI		
		THOMAS J. GONZALES	THOMAS J. GONZALES  CUR PRIOR  DATE DATE COST/ BUS. 179 179 DEC. BAL. BASIS SALVAGE DEPR. PRIOR  CURRENT  CURRE	DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  DESCRIPTION  ACQUIRED  CUR PRIOR  CURRENT  SOLUE A (POINTS)  AMORTIZATION  THOMAS J. GONZALES  CUR PRIOR  SOLUE PRIOR  REDUCTN  VALUE  BASIS  SALVAGE  DEPR. PRIOR  CURRENT  DEPR. PRIOR  CURRENT  DEPR.	THOMAS J. GONZALES   THOMAS	THOMAS J. GONZALES   THOMAS	THOMAS J. GONZALES   S45-13-6756   S45-13-

12/31/99	1999 FEDERAL ALTERNATIVE MININGSTAX DEPRECIATION SCHEDULE	ERAL	ALTER	NATIVE	N	AT N	X DEP	RECIATI	ON S	물	U.E		GE 1
				F	OMAS,	THOMAS J. GONZALES	S					"	545-13-6755
NO. DESCRIPTION	DATE	DATE	AMT	AMT PRIOR DEPR.	AMT	AMT AMT LIFE RATE	AMT DEPR.	REG. DEPR.	OUNR. P	OWNR. POST-86 PCT. DEPR ADJ.	REAL PROP LEAS PERS PREF. PROP PREF		
TOTAL			0	0	1		0	0	!	0	1	0	
TOTAL DEPRECIATION			0	0			0	0	,	0	0	0	
GRAND TOTAL DEPRECIATION	2	,,	0 0	0		•	0	0		0	0	0	
	As Amended	A A 1 5											

Filed	07/02	/2008

1040	ľ	Speriment of the Treesury - Internal Revenue Services.  J.S. Individual Income Tax	Return 1999			
		For the year Jan. 1 - Dec. 31, 1999, or other tax year b	ginning	(99) IRS Use Only - Do r , 1999, ending	ot write or staple in	
bel		Your first name and initial	Last name	, roos, anang	Yours	OMB No. 1545-0074 octal security number
instructions	إبا	THOMAS J. GONZALES			i	
on page 18.)	A B E L	If a joint return, spouse's first name and initial	Last name			45-13-6755 e's social security number
Use the IRS	L				1900	s a social security number
labet. Otherwise,	H	Home address (number and street). If you have a P.O.	. box, see page 18.	Apt. no.		
Please print	Ë	200 PIEDMONT LANE		·	<b>A</b>	IMPORTANT!
or type.	-	City, town or post office, state, and ZIP code. If you ha	ive a foreign address, see page 18.			You <b>must</b> enter your SSN(s) above.
Presidential		DANVILLE, CA 94526			Van	
Election Cam	palgn					NO Note: Checking "Yes" will not change your
(See page 18.)		If a joint return, does your spouse want	\$3 to go to this fund?			tax or reduce your refund.
<b></b>		1 X Single			· · · · · · · · · · · · · · · · · · ·	
Filing Statu	18	2 Married filing joint return (even	if only one had income)			
		3 Married filing separate return.	Enter spouse's soc. sec. no. a	bove & full name here		
Check only one box.		4 Head of household (with qualif	ying person). (See page 18.)	f the qualifying person is a c	hild but not you	ur danandari
OHE DOX.		enter this child's name here	•	· wo quanying person is a c	rind but riot you	r dependent,
		5 Qualifying widow(er) with depe	indent child (year spouse died	▶ 19 ). (See page	10 \	
		6a Yourself. If your parent (or som	eone else) can claim you as a	dependent on his or her tax	·	
Exemptions	8	return, do not check	box 6a		· · · · · · · · · · · · · · · · · · · ·	No albania
		b Spouse			}	No. of boxes checked on
		c Dependents:	(2) Dependent's social		Chk if qualifying	6a and 6b
	_	(1) First Name Last name	security number	colationship to visio	hild for child tax	No. of your children on
				Gr	edit (see page 19)	_ 6c who:
If more than six						● lived with you
dependents,						did not live with you due to divorce
see page 19.						or separation (see page 19)
						Dependents on 6c not
المختلف						entered above
		d Total number of exemptions claimed	· · · · · · · · · · · · · · · · · · ·			Add numbers entered on lines above
Income		<ul><li>wages, salaries, tips, etc. Attach Forn</li></ul>	n(s) W-2	• • • • • • • • • • • • • • • • • • • •	7	143,963
income		Ba Taxable interest. Attach Schedule Bif	required		8a	4,338
		b Tax-exempt interest. DO NOT include	e on line 8a	<u> </u>		
Attach Copy B of your		Ordinary dividends. Attach Schedule E	If required		9	697
Forms W-2 and W-2G here.	10		state and local income taxes (	see page 21)	. 10	3,903
Also attach	1				11	
Form 1099-FI if tax was withhold.	1:	1000): / Killer Oct	edule C or C-EZ		12	
	13	and a find the first of the fir	D if required, if not required,	check here 🕨 🗌	. 13	115,445
	14	game or (recope); / macri i orini 4	797		14	
		a Total IRA distributions 15a		Taxable amount (see pg. 2)		
	16	100		Taxable amount (see ng. 2)	) 16h	
fyou did not get a W-2,	17	The state of the state of partitions in	ps, S corporations, trusts, etc.	Attach Schedule E	. 17	
вее расе 20.	18	Farm income or (loss). Attach Scheduli	9F		18	
Enclose, but do not	19	Unemployment compensation			19	
ittach any payment. Viso, please use	20	200	l	Taxable amount (see pg. 24		
form 1040-V.	21	Other income.			21	
	22	Add the amounts in the far right column	for lines 7 through 21. This is	your total income		268,346
	23	IRA deduction (see page 26)			58	
Adjusted	24	Student loan interest deduction (see pa	ge 26) 24			
Gross	25	Medical savings account deduction, Att	ach Form 8853 25			
ncome	26	Moving expenses. Attach Form 3903 .				
ellen.	27	One-half of self-employment tax. Attach	Schedule SE 27		1331	
5	28	Self-employed health insurance deducti	on (see page 28) 28		+ 1	
(4) The second s	29	Keogh and self-employed SEP and SIM	PLE plans 29	<del>                                     </del>		
_	30	Penalty on early withdrawal of savings			1 1	
	314	Alimony paid. <b>b</b> Recipient's SSN ▶	31a	<del>                                     </del>	-13-1	
	32	Add lines 23 through 31a		<u> </u>	1 32	
	33	Subtract line 32 from line 22. This is you	r adjusted gross income		32	0
or Disclosure	Privac	V Act and Paperwork Reduction Act No			33	268,346

Filed	07/02/2008

		America in GO						54	5-13-6755 Pa	ge :
Tax and	34	Amount from line 33 (	(adjusted gross income)					34	268,346	<u> </u>
Credits	39	THE CHECK IT: L.J. YOU'V	were 65 or older, 📙 Bilina	d: 🔲 Spouse v	vas 65 or older	Blind				_
		Add the number of	boxes checked above and	d enter the total here		▶ 35a				1
Jard Deduction		b If you are married fi	iling separately and your s	SDOUSA itemizae dade	uotiona or uou	_				
Deduction for Most	L	a dual-status alien,	see page 30 and check h	ere		▶ 35b				
People	36	CHEF YOUR ITEM 1284 4	d <b>eductions</b> from Schodul	lo A line 00 OD -1-			_			l
Single: \$4,300	ļ	any box on line 35a o	t see page 30 to find your or 35b or if someone can d	standard deduction	if you checked		F	36	67,432	
Head of	37	Subtract line 36 from	line 34	odini you as a depen	iuerii	• • • • • • • • • • • • •	····	37	200,914	
household:	38	If line 34 is \$94,975 or	r less, multiply \$2,750 by	the total number of o	······································		•••	3 <i>7</i>	200,914	
\$6,350	- 1	11 18 18 OVER 394,5	1/5. See the worksheet or	naga 31 for the am	memplions claimed	i on line 6a.	<u> </u>			
Married filing jointly or	39	I axable income. Suit	btract line 38 from line 37.		• • • • • • • • • • • • • • • • • • • •			38	0	⊢_
Qualifying	40	Tax (see page 31). Cl	heck if any tax is from a	☐ Form(s) 8814 h	П Form 4072	• • • • • • • • • • • •	··· -	39	200,914	<u> </u>
widow(er): \$7,200	41	Credit for child and de	ependent care expenses.	Att Form 2441	1011149/2			40	60,596	<u> </u>
Married	42	Credit for the elderly of	or the disabled. Attach Sci	hadula D	41					
filing separately	43	Child tax credit (see n	page 33)		42		——			
\$3,600.	44	Education credits Atta	ach Form 8863	• • • • • • • • • • • • • • • • •	. 43					
L	45	Adontion credit Attack	h Form 8839	• • • • • • • • • • • • • • • • • • • •	. 44					
	46	Foreign tay cradit Attack	ach Form 1110 4	· · · · · · · · · · · · · · · · · · ·	. 45					
		Other. Check if from	ach Form 1116 if required		. 46					l
-	Ψ,			Form 8396						l
	40		d Form (specify)		47				Ì	i
	40	Cuthings 41 through 4	7. These are your total o	redits				48		ĺ
	49	Subtract line 48 from I	ine 40. If line 48 is more ti	han line 40, enter -0-			▶ [	49	60,596	
Other	50	Seir-employment tax.	Att. Sch. SE					50		
Taxes	51	Alternative minimum ta	ax. Attach Form 6251				_	51		
	52	Social security and Me	edicare tax on tip income :	not reported to emplo	over. Attach Form	4137		52		
	53	lax on IRAs, other ret	tirement plans, and MSAs	. Attach Form 5329 i	f required			53		
	54	Advance earned incon	ne credit payments from F	Form(s) W-2				54		
A STATE OF THE STA	55	mousehold employmer	nt taxes. Attach Schedule	H	. <b></b>			55		
	56	Add lines 49 through 5	5. This is your total tax		. <b></b>		`` <b>⊾</b> }	56	60,596	
P ents	97	receral income tax wit	thheid from Forms W-2 ar	nd 1099	57	38,873	1	30	00,336	
a distribution of the second	58	1999 estimated tax pay	yments and amount applic	ed from 1998 return	58	30,0,5	<del>'</del>			
	59	a Earned income cre	edit. Att. Sch. EIC if you ha	ave a qualifying child	1.		+			
		<b>b</b> Nontaxable eamed in	ncome: amt.		"i liilii li					
		and type ▶	·	N	O 59a			81		
	60	Additional child tax cre	dit. Attach Form 8812					188.4		
	61	Amount paid with requi	est for extension to file (	see none dal	61		<del>-  </del> -			
	62	Excess social security	and RRTA tax withheld (	500 page 40)	62		+			
	63	Other payments, Chec	k if from a Form 2439	9 h	. 63		+			
	64	Add lines 57, 58, 59a, a	and 60 through 63. These	are vour total nave	63		4-4-	_		
Dadina	65	f line 64 is more than li	ine 56, subtract line 56 fro	om line 64. This is the	ierits	· · · · · · · · · · · · · · · · · · ·		54	38,873	
Refund	66 <b>a</b>	Amount of line 65 you	want REFUNDED TO YO	711 10 10 04. THIS IS BIE	amount you OVE	RPAID	· · · ·   <u>e</u>	35		
Have it			TOTAL TOTAL OF TO TO		•••••	• • • • • • • • • • • • •	▶ 6	6a		
directly	b	Routing number			a					
deposited! See page 48	_			▶ c Type: □	Checking U.S	Savings				
and fill in 66b, 66c, and 66d.	d	Account number								
Joe, and odd.			100 100 70		_		. 18			
_			vant APPLIED TO 2000 E		▶ 67					
Amount	68 !	line 56 is more than lin	ne 64, subtract line 64 from	m line 56. This is the	MATTHERMA	MELY FIL	ED			
You Owe							▶ 6	8	21,723	
	Lindora	surnated tax penany. A	Also include on line 68 .		69					
Sign	true, cor	rect, and complete. Declaration	hat I have examined this return a on of preparer (other than taxpay	ind accompanying schedul er) is based on all informat	es and statements, and	to the best of my k	nowledge	and belie	ef, they are	
-lere		signature	, , , , , , , , , , , , , , , , , , , ,	or, to cauca on an intermed	non or winch preparer na	аз алу кложіедре.				
oint return?	100	signature		Date	Your occupation				ne telephone	
ee page 18. eep a copy	<u></u>				CHIEF T	ECHNOLO	GY O	numbe	er (optional)	
r your	Spor	se's signature. If a joint retur	n, BOTH must sign.	Dat <b>e</b>	Spouse's occupatio	n		1		
cor ****	<u> </u>									
1 X 53 F	Preparer				Date	1		Prepar	rer's SSN or PTIN	_
Erm'	signature		P. SMITH			Check if self-employed		1	73-90-7124	
reparer's	Firm's co	me (or yours COM		MCCLEARY &	DEAV	T 3011-B11-Druyed				
lse Only	if self-em	ployed) and 347					EIN		-0307221	
	address	LAF	AYETTE, CA				ZIP code	_	7.4.0	
			E PAYMENT	760 INTE	REST 1.	005 707	27.7	945		_
		<b></b>		. OO TIVIE	1 ,	005 TOT	- Al	23,	488 Form <b>1040</b> (199	9)



Attach to Form 1040   See Instructions for Schedules A and B (Form 1040)   Attach to Form 1040   For	(Form 1040)	S A&	Schedule A – Itemized Deductions	:	OM	B No. 1545-0074
Non-cool accordy-method	Internal Revenue Ser	rvice		m 1040).		
Caution: Do not include expenses reimbursed or paid by others.	Na shown on F	om 104				ence No.
Modification and cell and promoting on personal programmed on paid by others.   1   1   1   1   1   1   1   1   1	DMAS	J.	GONZALES			
Image: a mile of the companies (see page A-1)	3092				145-1.	3-6/55
2 Einter amount from Form 1040, line 34		1	Morfical and dontal assessment (and a second as			
3 Multiply line 2 above by 7.5% (075) 3   4    1 Subtent floral 3 from line 1, fill most 3 is more than line 1, enter -0    1 Subtent floral 3 from line 1, fill most 3 is more than line 1, enter -0    1 Subtent floral 3 from line 1, fill most 3 is more than line 1, enter -0    1 Subtent floral 3 from line 1, fill most 3 is more than line 1, enter -0    1 Subtent floral 4    1 Power taxes. List type and amount    1 Subtent floral 4    1 Home mortgage interest and points reported on Form 1098   STM	Dental	2	Enter amount from Form 1040 line 34			
Taxes You Paid    Subtact Inc 3 from tine 1, If Inc 3 is more than line 1, enter -0.   4	Expenses		Multiply line 2 above by 7.50/ (0.75)			
Takes you			Subtract line 2 from line 1. If line 2 is seen than 1.			
### 6 Read estable taxes (see page A-2)	Teves Van		State and local income toward		4	(
Personal properly taxes			Pool actate takes (and actate takes )			
8 Add lines 5 through 8.  9 Add lines 5 through 8.  10 Home mortgage leterest and points reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 10 31,736 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home mortgage leterest not reported on Form 1098 STM. 2 11 Home parage A-3 11 Home mortgage leterest not reported on Form 1098 Step leterest not reported on Form 1098 STM. 2 11 Home parage A-3 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A-4 11 Home parage A		_	Remarks (See page A-2)			
S   Add lines 5 through 8   9   29,80	/Cna	-	Personal property taxes	2,850		
Add lines 5 through 8   29,80°			Other taxes. List type and amount			
Add lines 5 through 8   29,80°			<b>'</b>			
Add lines 5 through 8   29,80°   10   10   10   10   10   10   10						
Interest 100 From Prioritigate Interest and points reported on Form 1098. STM. 2 10 31,736    11 Home mortigage Interest and points reported on Form 1098. Interest bits personal remains and prioritigate interest and points reported on Form 1098. See page A-3 & show that person's name, i0 no. & address    12 Points not reported on Form 1098. See page A-3 & SEE .STMT. 3 12 141    13 Investment interest. Nation Form 4982, if required. (See page A-4)    14 Add lines 10 trough 13.    15 Gifts by cash or check. If any gift of \$250 or more, see page A-4. You MUST attach Form 4982 in over \$500    16 Correction Form 1098. See page A-4.    17 Correction Form 1098. See page A-4.    18 Add lines 10 through 13.    19 Add lines 15 through 17.    10 Cassualty and here 15 through 17.    10 Cassualty or that itosa(es). Attach Form 4884. (See page A-5.)    20 DExpenses and Most Other Interest Interest Attach Form 2106 or 2106-EZ if required. (See page A-5.)    21 Tax preparation fees.    22 Add lines 20 through 22.    23 Add lines 20 through 22.    24 Enter amount from Form 1040, line 34.   24    25 Multiply line 24 above by 2'5 (02)    26 Subtract lines 25 from line 25 lines 162 is more than line 23, enter -0-    27 Other - from list on page A-6. List type and amount    28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?    48 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?    49 Add lines 26 from line 27. Also, enter this amount on Form 1040, line 36,    57 Add lines 27 Your deduction is not limited. Add the amounts in the far right column of the far fight colu						
Indeeds 1 00 Coro Paid See Not Paid See Interest and points reported on Form 1098 . STM . 2 10 31,736    11 Home mortgage interest not reported on Form 1098 . State to be page not now when you bought the homs, see page A-3 & show that person's name, it no & address    12 Points not reported on Form 1098, See page A-3 . SEE . STMT . 3 12 141    13 Investment interest. Nation Form 4982, if required. (See page A-4) . 13    14 Add lines 10 through 13 . 14   31,877    15 Gifts by cash or check. If any gift of \$250 or more, see page A-4. You MUST attach Form 4982 if over \$500 . 16    16 Corryover from prior year . 17   18 Add lines 15 through 17		9	Add lines 5 through 8		9	29 807
Home mortigage inferest not reported on Form 1098. It paid to the pareon from search from the pareon from th	Interest	10	Home mortgage interest and points reported on Form 1098 . STM 2 10		S 2	20,00
Monty to book the home, see page A-3 A show that person's name, ID no. A address   Monty to book the home, see page A-3 A show that person's name, ID no. A address   Monty to book the home, see page A-3 A SEE STMT 3 12 141	You Paid	11	Lanci - Lanci			
12   Points not reported on Form 1098. See page A3   SEE   STMT   3   12   141	(See		whom you bought the home, see page A-3 & show that person's name, ID no. & address	F		
12   Points not reported on Form 1098. See page A-3   SEE   STMT   3   12   141   131   141   131   141   131	Page A-3.)	l	•	İ		
12   Points not reported on Form 1098. See page A-3   SEE   STMT   3   12   141						
12   Points not reported on Form 1098. See page A-3   SEE   STMT   . 3   12   141	Notes			į.		
12   Points not reported on Form 1098. See page A-3   SEE   STMT   3   12   141	Personal			1		
13   Investment interest. Attach Form 4952, if required. (See page A-4)   13   14   Add lines 10 through 13   15   16   Other than by cash or check. If any glift of \$250 or more, see page A-4.   15   10,000   16   Interest and the state of the state	not	12	Dolet and an all and a second a			
See page A-4    14   Add lines 10 through 13   15   16   10,000	leductible.			141		
14 Add lines 10 through 13  15 Gifts by cash or check. If any gift of \$250 or more, see pg. A-4. ST		13	Investment interest. Attach Form 4952, if required.			
15 Gifts by cash or check. If any gift of \$250 or more, see p.g. A-4. ST. 4 15 10,000 16 16 10 000 17 16 16 10 000 17 17 18 18 10,000 17 18 18 10,000 18 18 18 18 18 18 18 18 18 18 18 18 18	_	14				
you make a list and got a sensitir fort, in any get of \$250 or more, see page A-4. You MUST attach Form 8283 if over \$500.  17			Gifts by each as shock If any oil of their		14	31,877
You MuST attach Form 2838 if over \$500   16   17   18   10 , 0 0 0   18   19   19   19   19   19   19   19				10,000		
eneral tor it, energy ear in the property of the property in t		16	Other than by cash or check. If any gift of \$250 or more, see page A-4.			
Add lines 15 through 17	ift and got a	17	Corporation adjacent Form 8283 if over \$500			
Assualty and heft Losses  20 Casualty or theft loss(es). Attach Form 4684.  (See page A-5.)  21 Tax preparation fees.  22 Other expenses in Country of the page A-5 or the page A-5 or pag			Add lines 15 through 47			
See page A-5.)   19   Compared to the page A-5.   19   Compared to the page A-5.)   19   Compared to the page A-5.   19   Compared to the pag			Add lines is inrough 17		18	10,000
On Expenses 10	heft Losses	19	Casualty or theft loss(es). Attach Form 4684.	ŀ		
etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.)  21 Tax preparation fees. 21  22 Other expenses - investment, safe deposit box, etc. List type and amount clutch rere.)  23 Add lines 20 through 22  24 Enter amount from Form 1040, line 34 24   25 Multiply line 24 above by 2% (.02)  25 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0- 26 Other - from list on page A-6. List type and amount	oh Evnenses	20	1 December 2 and 1		19	0
21 Tax preparation fees	•	20	etc. You MIST attach Form 2106 or 2106 F7 if regulated (Construction)	K		
21 Tax preparation fees	liscellaneous		1 See page A-5.)	<u>.</u>	1340	
Tax preparation fees	eductions	•				
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Other expenses - investment, safe deposit box, etc. List type and amount    Comparison   Compari						
AS OPIGINALLY FILED  23 Add lines 20 through 22  24 Enter amount from Form 1040, line 34 24   25    25 Multiply line 24 above by 2% (.02)  26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0- 26   0    10 Other - from list on page A-6. List type and amount			ax preparation rees			
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24 Enter amount from Form 1040, line 34 24  25 Multiply line 24 above by 2% (.02)  26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-  27 Other - from list on page A-6. List type and amount  38 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  39 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  30 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  39 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  30 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  31 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  32 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  30 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  31 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  32 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  33 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  32 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  33 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  34 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  35 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  36 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  37 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?			AS UnidilYALL	.]     -		
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Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-  Defensions  Context - from list on page A-6. List type and amount scellaneous  Sections  Section - Context - Graph - Context - Cont		25				
tai  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  mized ductions  27 Other - from list on page A-6. List type and amount  27 Other - from list on page A-6. List type and amount  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  REDUCTION  -4, 252  for lines 4 through 27. Also, enter this amount on Form 1040, line 36.  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  REDUCTION  -4, 252		26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	<del></del>		^
scellaneous lons  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  Mo. Your deduction is not limited. Add the amounts in the far right column right column of lines 4 through 27. Also, enter this amount on Form 1040, line 36.	her	27	Other - from list on page A-6. List type and amount		.0	<u> </u>
tai  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  mized ductions  28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)?  REDUCTION  -4, 252  for lines 4 through 27. Also, enter this amount on Form 1040, line 36.	scellaneous				. 1	
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tai 28 Is Form 1040, line 34, over \$126,600 (over \$63,300 if married filing separately)? REDUCTION mized United No. Your deduction is not limited. Add the amounts in the far right column -4, 252 for lines 4 through 27. Also, enter this amount on Form 1040, line 36.	100			. – – 🚣		
mized L No. Your deduction is not limited. Add the amounts in the far right column -4, 252 for lines 4 through 27. Also, enter this amount on Form 1040, line 36.	·	28	Is Form 1040 line 34 over \$126 600 (over \$22 200 #		7	0
for lines 4 through 27. Also, enter this amount on Form 1040, line 36.			1 May Variable to the first to the same	1		
	ductions		for lines 4 through 27. Also, enter this amount on Form 1040 line 22.	-4,252		
				▶ 2	8	<u>67</u> ,432

Schedules A&B (Form 1040) 1999 Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side. OMB No. 1545-0074 Page 2 Your social security number THOMAS J. GONZALES 545-13-6755 Schedule B - Interest and Ordinary Dividends 08 Sequence No. Note: If you had over \$400 in taxable interest, you must also complete Part III. Part I Interest Amount List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security (See page B-1 and the number and address > instructions for Form 1040, FRANCHISE TAX BOARD line Ba.) MT DIABLO NAT'L BANK 10 4,303 WELLS FARGO 25 Note: If you received a Form 1099-INT, Form 1099-OID, or 1 substitute statement from a brokerage firm, list the firm's payer and enter the total interes shown on that torm. 4,338 2 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a 4,338 Note: If you had over \$400 in ordinary dividends, you must also complete Part III. Amount List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13. (See page B-1 and the instructions for MERRILL LYNCH 608 Form 1040, line 9.) DLJ\_INVESTMENT Note: If you 5 received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as and enter the ordinary dvidends shown on that form. Add the amounts on line 5. Enter the total here and on Form 1040, line 9 697 You must complete this part if you (a) had over \$400 of interest or ordinary dividends; (b) had a foreign account; or Part III (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Forelan Accounts and **Trusts** 

7a At any time during 1999, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing

No

X

requirements for Form TD F 90-22.1 If "Yes," enter the name of foreign country During 1999, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? X

If "Yes," you may have to file Form 3520. See page B-2 KFA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 1999

SCHEDULE D (Form 1040)

Capital Gains and Losses

Attach to Form 1040. ➤ See instructions for Schedule D (Form 1040). 1999

ment of the Treasury Revenue Service eshown on Form 1040

(99)

Use Schedule D-1 for more space to list transactions for lines 1 and 8.

Attachment Sequence No.

OMB No.1545-0074

Your social security number TOMAS J. GONZALES 545-13-6755 Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less (a) Description of property (Example, 100 sh. XYZ Co.) (b) Date acquired (Mo., day, yr.) (c) Date sold (Mo., day, yr.) (e) Cost or other basis (d) Sales price (f) GAIN or (LOSS) (see page D-5) (see page D-5) Subtract (e) from (d) COBALT NETWORKS-500 SHRS 11/04/99 11/10/99 60,276 11,000 49,276 FINISAR CORP-400 SHRS 11/11/99 11/12/99 31,874 7,600 24,274 NEXT LEVEL-200 SHRS 11/09/99 11/10/99 10,434 4,000 6,434 WEBVAN GROUP-\$00 SHRS 11/04/99|11/05/99 13,232 7,500 5,732 2 Enter your short-term totals, if any, from Schedule D-1, line 2 ..... 2 72,529 29,729 3 Total short-term sales price amounts. Add column (d) of lines 1 and 2 ...... 188,345 4 Short-term gain from Form 6252 and short-term gain or (loss) from 5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 5 6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 1998 Capital Loss Carryover Worksheet ..... 6 7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f) 115,445 II Long-Term Capital Gains and Losses - Assets Held More Than One Year escription of property imple, 100 sh. XYZ Co.) (b) Date acquired (Mo., day, yr.) (c) Date sold (Mo., day, yr.) (e) Cost or other basis (d) Sales price (see page D-5) (g) 28% RATE GAIN (f) GAIN or (LOSS) or (# (1555))
\* (see instr. below) (see page D-5) Subtract (e) from (d) 9 Enter your long-term totals, if any, from Schedule D-1, line 9 ..... 10 Total long-term sales price amounts. Add column (d) of lines 8 and 9 ..... 11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; AS ORIGINALLY FILED and long-term gain or (loss) from Forms 4684, 6781, and 8824 ...... 12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 12 13 Capital gain distributions. See page D-1 ..... 13 14 Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 13 of your 1998 Capital Loss Carryover Worksheet ....... 14 15 Combine lines 8 through 14 in column (g) ...... 15 16 long-term capital gain or (loss). Combine lines 8 through 14 in column (f) t: Go to Part III on the back.

Document 1-4 Filed 07/02/2008

Schedule D (Form 1040) 1999 THOMAS J. GONZALES

545-13-6755 Page 2

	Summary of Parts I and II			
1	mbine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain o	on Form 1040 lii	ne 13	115
-	ct: Complete Form 1040 through line 39. Then, go to Part IV to figu	re vour tax if:		17 115,44
	Both lines 16 and 17 are gains, and	,		
	<ul> <li>Form 1040, line 39, is more than zero.</li> </ul>			
1	If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the	smaller of these	alosses:	
	• The loss on line 17; or			
	• (\$3,000) or, if married filing separately, (\$1,500)			10/
	mext: Skip Part IV below, Instead, complete Form 1040 through line 3	7. Then, comple	te the	18 (
	Capital Loss Carryover Worksheet on page D-6 if:			
	<ul> <li>The loss on line 17 exceeds the loss on line 18, or</li> </ul>			
	<ul> <li>Form 1040, line 37, is a loss.</li> </ul>			
	Part IV Tax Computation Using Maximum Capital Gal	ins Rates		
19	Enter your taxable income from Form 1040, line 39			19
20	Enter the <b>smaller</b> of line 16 or line 17 of Schedule D			
21	If you are filing Form 4952, enter the amount from Form 4952, line 4e		21	
22	Subtract line 21 from line 20. If zero or less, enter -0-		22	
23	Combine lines 7 and 15. If zero or less, enter -0-		23	
24	Enter the smaller of line 15 or line 23, but not less than zero		24	
25	Enter your unrecaptured section 1250 gain, if any, from line 16 of the wor	rksheet on page	D-7 25	
26	Add lines 24 and 25		26	
27	Subtract line 26 from line 22. If zero or less, enter -0-			27
20	Subtract line 27 from line 19. If zero or less, enter -0-			28
29	Enter the smaller of:			A.
	The amount on line 19, or			
	<ul> <li>\$25,750 if single; \$43,050 if married filing jointly or qualifying widow(e</li> <li>\$21,525 if married filing separately; or \$34,550 if head of household</li> </ul>	<sup>∍r);</sup> }		29
	SECURITY CONTRACTOR OF THE PROPERTY OF THE PRO			
34	er the smaller of line 28 or line 29	· · · · · · · · · · · · · · · · · · ·		
31	Subtract line 22 from line 19. If zero or less, enter -0-	• • • • • • • • • • • • • • • • • • • •		
32	Enter the larger of line 30 or line 31	• • • • • • • • • • • • • • • • • • • •	▶ 32	
33	Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate S <b>Note:</b> If line 29 is less than line 28, go to line 38.	Schedules, whic	hever applies	
34	Enter the amount from line 29		1 1	
35	Enter the amount from line 28	• • • • • • • • • • • • • • • • • • • •	34	
36	Subtract line 35 from line 34. If zero or less, enter -0-	• • • • • • • • • • • • • • • • • • • •	35	
37	Multiply line 36 by 10% (.10)	• • • • • • • • • • • • •	▶ 36	
	Note: If line 27 is more than zero and equal to line 36, go to line 52.			37
38	Enter the smaller of line 19 or line 27		loel	
39	Enter the amount from line 36	**********		<del></del>
40	Subtract line 39 from line 38.		▶ 40	
41	Multiply line 40 by 20% (.20)		40	41
	Note: If line 25 is zero or blank, skip lines 42 through 47 and read the note	above line 48		41
42	Enter the smaller of line 22 or line 25			
43	Add lines 22 and 32	43	AS ORIGINALL	VEILER
44	Enter the amount from line 19	44		- I I Makin har
45	Subtract line 44 from line 43. If zero or less, enter -0-		45	
46	Subtract line 45 from line 42. If zero or less, enter -0-		> 46	
47	Multiply line 46 by 25% (.25)			47
	Note: If line 24 is zero or blank, go to line 52.			
48	Enter the amount from line 19			
49	Add lines 32, 36, 40, and 46		49	
50	Subtract line 49 from line 48		50	2.5
51 (j	iply line 50 by 28% (.28)			. 51
52 .	.ud lines 33, 37, 41, 47, and 51			. 52
53	rigure the tax on the amount on line 19. Use the Tax Table or Tax Rate Sc	hedules, which	ever applies	53
54	ax on all taxable income including capital gains. Enter the smaller of	line 52 or line 5	3 here and on Form 1040 line 40	EA

### Schedule D-1 (Form 1040)

nt of the Treasury Intra venue Sevice (99) Names shown on Form 1040

THOMAS J. GONZALES

# Continuation Sheet for Schedule D (Form 1040)

▶ See instructions for Schedule D (Form 1040).
 ▶ Attach to Schedule D if you need more space to list transactions for lines 1 and 8.

OMB No. 1545-0074

1999

Attachment Sequence No. 12A

Your social security number 545 - 13 - 6755

Part I Short-Term Capital Gains and Losses-Assets Held One Year or Los

(Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-5)	(e) Cost or other basis (see page D-5)	(f) GAIN or (LOSS). Subtact (e) from (d)	
E FREE-100 S	IRS				***************************************	
	11/03/99	11/16/99	2,612	1,200	1,412	
LASSIC COMMU	VICATIONS	200 SHRS				
	12/07/99	12/08/99	5,762	5,000	762	
DIGITAL IMPAC	T-100 SHR	\$		- 7,000	702	
	11/22/99	11/23/99	3,719	1,500	2,219	
DRUGSTORE COM	75 SHRS			1,300	2,213	
	7/27/99	10/11/99	2,972	1,350	1,622	
GOTO.COM-200	SHRS			1,330		
	6/18/99	6/29/99	4,275	3,000	1 275	
NSIGHT COMM.	300 SHRS	/ / /	+/2/3	3,000	1,275	
	7/21/99	10/11/99	8,868	7 250	1 510	
NTERLIANT-200	SHRS	10/11/00	0,000	7,350	1,518	
	7/07/99	7/08/99	3 000	2 000		
NI CORP-100 S	SHRS	1/00/33	3,000	2,000	1,000	
	10/26/99	11/16/00	0 500			
IETWORK PLUS-2	1 -0/20/33	11/16/99	8,500	1,900	6,600	
		6/30/00				
ZERO-100 SH	6/29/99	6/30/99	5,462	3,200	2,262	
ZIERO-IUU SI		120/22/22				
ADIO UNICA-15	9/23/99	10/11/99	2,931	1,600	1,331	
ADIO UNICA-I						
VMVV mparr co	10/18/99	11/16/99	3,890	2,400	1,490	
YMYX TECH-200						
DUDTOD FOO	11/17/99	12/21/99	5,225	2,800	2,425	
PEDIOR-500 SE						
	12/16/99	12/21/99	15,313	9,500	5,813	
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Totals, Combine columns	(d) and (f) Fotos					

1999	FEDERAL S	STATEMEN	TS			PAGE
	THOMAS	J. GONZALES				545-13-675
STATEMENT 1 FORM 1040 WAGE SCHEDULE						
TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	SDI
COMMERCE ONE INC GRAND TOTAL	143,963 143,963	38,873 38,873	4,501 4,501	2,232	11,164 11,164	159 159
STATEMENT 2 SCHEDULE A, LINE 10 HOME MORTGAGE INTEREST REPOR	RTED ON FORM	I 1098		93.1	141	
BANK UNITED						23,322 6,304 2,110 31,736
STATEMENT 3 SCHEDULE A, LINE 12 DEDUCTIBLE POINTS  AMORTIZATION		• • • • • • • • • • • • • • • • • • • •		TOTA	. <u>\$</u> .L <u>\$</u>	141 141
STATEMENT 4 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR CHECK VARIOUS				 TOTA		10,000
			AS O	RIGINAI	LLY FILE	ED .

12/31/99			1999 FE	DER	Į.	l iii		NOL	FEDERAL DEPRESATION SCHEDULE	DULE				-	AGE 1
					된	MAS .	THOMAS J. GONZALES	ALES						54	545-13-6755
NO. DESCRIPTION	DATE	DATE	COST/ BASIS	BUS.	CUR P 179 BONUS B	PRIOR 179 D BONUS	PRIOR DEC. BAL. DEPR.	BASIS	SALVAGE	DEPR.	PRIOR	KET KO	1 1	144	CURRENT
SCHEDULE A (POINTS) AMORTIZATION									1				ij		
1 POINTS TOTAL AMORTIZATION	11/16/98		4,220	1.80	0		0	0	. 0	4,220	12 12	۱/۶	30	į	141
TOTAL DEPRECIATION		. "	0	: 1	0		0	0	0	. 0	0				0
GRAND TOTAL AMORTIZATION			4,220			0	0	0	0	4,220	12				141
GRAND TOTAL DEPRECIATION		"	0	ll .	0	0	0	0	0	0	0			1	0
		AS ORIGINALLY FILE?													

Case 4:08-cv-03189-SBA Document 1-5 Filed 07/02/2008 Page 4 of 52

-13-6755					
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	ROP LEAS		0	0	
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	POST-86 DEPR ADJ.		0	0	
	OWNR.				
	REG. DEPR.			0	
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Preparer's

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(or yours if self-employed),

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LAFAYETTE, CA

SMITH



DECHASED (THOMAS J. GONZALES) 12/04/01 1040X nent of the Treasury - Internal Revenue Service Amended U.S. Individual Income Tax Return OMB No. 1545-0091 (Rev. November 2000) See separate instructions. geturn is for calendar year > 2000 or fiscal year ended > Your first name and initia THOMAS J. GONZALES Your social security number If a joint return, spouse's first name and initial 545-13-6755 Last name Spouse's social security number Home address (no. and street) or P.O. box if mall is not delivered to your home PRINT Apt. no. 134 LAKES BLVD Phone number City, town or post office, state, and ZIP code. If you have a foreign address, see page 2 of the instructions. 925 941-6014 DAYTON, NV 89403 For Paperwork Reduction Act If the name or address shown above is different from that shown on the original return, check here Notice, see page 6. Has the original return been changed or audited by the IRS or have you been notified that it will be? В Filing status. Be sure to complete this line. Note: You cannot change from joint to separate returns after the due date. ...... ☐ Yes On original return > Single Married filing joint return Married filing separate return Head of household On this return > Single Qualifying widow(er) Married filing joint return Married filing separate return Head of household . . If the qualifying person is a child but not your dependent, see page 2. Qualifying widow(er) Use Part II on the Back to Explain any Changes A. Original amount B. Net change -amount of increase or as previously C. Correct Income and Deductions (see pages 2-6) adjusted or (decrease) -(see page 2) explain in Part II Adjusted gross income (see page 3) ..... 1 618,923 -8,468,648 Itemized deductions or standard deduction (see page 3) -7 849,725 2 Subtract line 2 from line 1 ..... 461,279 16,077 477,356 3 157,644 -8, 484,725 Exemptions. If changing, fill in Parts I and II on the back ...... - 8 327,081 4 Taxable income. Subtract line 4 from line 3 ..... 5 2,800 2,800 5 Tax (see page 4). Method used in col. C TAX TABLE 157,644 6 -8,487,525 329,881 - 8 6 174,211 Credits (see page 4) ..... -166,198 7 8,013 7 Subtract line 7 from line 6. Enter the result but not less than zero 8 Other taxes (see page 4) ..... 174,211 -166,198 8,013 9 Total tax. Add lines 8 and 9 10 10 174,211 Federal income tax withheld and excess social security and RRTA -166,198 11 8,013 tax withheld. If changing, see page 5 11 57,307 Estimated tax payments, including amt applied from prior year's return ... 12 57,307 12 Earned income credit (EIC) ..... 13 13 Additional child tax credit from Form 8812 ..... 14 14 Credits from Form 2439 or Form 4136 ..... 15 15 Amount paid with request for extension of time to file (see page 5) 16 Amount of tax paid with original return plus additional tax paid after it was filed ...... 17 16 846,000 Total payments. Add lines 11 through 17 in column C 18 17 478,202 32,381,509 18 Refund or Amount You Owe Overpayment, if any, as shown on original return or as previously adjusted by the IRS 19 Subtract line 19 from line 18 (see page 5) 20 19 207,298 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 5 21 20 174,211 If line 10, column C, is less than line 20, enter the difference 22 21 23 166,198 22 Amount of line 22 you want applied to your 24 23 166,198 estimated tax Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge. 24 Sign Here Joint return? See page 2. Keep a copy for 8-10-07 vour records Your signature Date Spouse's signature. If a joint return, bothboth must sign. Date Preparer's Date Preparer's SSN or PTIN signature Paid TEVEN P SMITH Check if 07 Firm's name self-employed

> (925)299-1040 Form 1040X (Rev. 11-2000)

573-90-7124

68-0307221

EIN

Phone no.

MCCLEARY

DIABLO BLVD.

94549

& DEAV

#A110

Form 1046X (Rev. 11-20	000) THOMAS J.	GONZALES					<b>.</b>	10
If claiming more	tions. See Form 104 anging your exemption exemptions, complete exemptions, complete	0 or 1040A instructions. ons, do not complete this part. lines 25-31.		Of 8X	Original number emptions reported previously adjusted	B. Ne	of change	C. Correct number of exemptions
			<del></del>					
Caution, if your per	Onts (or someone elect	Carr claim vou en e de la la	2	:5				
(aronn aloy droge	riotio), you cannot clair	m an exemption for vourself	t					
Your dependent chil	dren who lived with you	1		_				
Your dependent chill	dren who did not live w	ith you due to divorce/separation	on [a-					
Other dependents .			100					
TOTAL HUMBOR OF 9X9	mptions. Add lines 25 ti	hrough 28	-		1			
wich play the number	homiels enginement to	on line 29 by the amount listed nter the result here and on line	. —		1	<u> </u>		
Tax year 2000	Exemption amount \$2,800	But see the instructions line 4 on page 3 if the amount on line 1 is ove	•					
1999 1996	2,750 2,700	94,975						
1997	2,650	93,400 90,900				1		
Dependents (children	2 and -14 - 3 - 4 - 4		30	)			2,800	2,80
Note: For tax years	after 1997, do not claimed	d on original (or adjusted) return	n:					
column (d) below.	- Total ( do not comp	elete column (e) below. For tax	year 199	97, do no	t complete		No od	
					T	<del>,                                      </del>	No. of your child line 31 who:	ren on
(a) First Name L	ast Name	(b) Dependent's social security number	(c) Deper		(d) Check if qualifying child for child tax credit (see page 5)	(e) No. of months lived in your home	<ul> <li>lived with you</li> </ul>	
					CIFOR (See page 5)			
							<ul> <li>did not live wi you due to div</li> </ul>	
					<u> </u>		or separation	
io							(see page 5)	· · · · · · · · • · · · · • · · · · · ·
	<del> </del>							
	· · · · · · · · · · · · · · · · · · ·				0			
art II Explanat		o Income, Deductions,					Dependents or not entered ab	line 31
returned. B	e sure to include you	front of the form for each ite lules for the items changed. If name and social security r	number	on any	ittachmente	o informati	on, your Form	1040X may be
h the loss or credit occ	et operating loss carryb urred. See page 2 of th	ack or a general business cred e instructions. Also, check here K NET OPERATING	dit carryb	ack, atta	ch the schedule	or form that	shows the year	in
FUND CLAIM	AKKIING BAC							
ERATING LOS	S TS TO DE	CARRIED DAGE	DIMI	ד פת	HAT THE	CARRYB.	ACK OF 1	A 2001 NE
6, THEN 19	97 AND SO ON	Y GENERAL TO	KOOA	7A T T	JA FIVE	YEAR	CARRYBA	CK IF TO
) 1997 RETIII	NS VET CON	TETDENIE III III III	<del></del>	T D 14	OI IN PO	SSESSI	ON OF H	IS 1996
OFFSET ALL	TAXABLE INC	OME DEDODEED TO		<u> </u>	V ZUUL I	S SUFF.	ICIENT ]	IN AMOUNT
TOD, HE IS	TEMPORARITA	SKIPPING TUE	1006	E EN	TIRE FIV	E YEAR	CARRYBA	ACK
ERMINED LAT								
RATING LOSS	3.	TACHED SCHEDULE	E REI	F.TEC.	ING USA	SE OF T	THE 2001	NET
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Mall Desire							·	
III Presidenti	a Election Camp	aign Fund. Checking below	w will no	t increas	9 Vour tax or red	ICA VOUE rofe	ınd	_
							nių.	
it return and your spous	se did not previously wa	ant \$3 go to the fund but now w	ants to,	check he	re	· • • • • • • • • • • • • • • • • • • •		

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2001	NOL WORKSHEETS		PAGE 1
<u> </u>	THOMAS J. GONZALES		545-13-6755
1. 2A 2B 2C 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14.	ADJUSTED GROSS INCOME ITEMIZED OR STANDARD DEDUCTION EXEMPTION DEDUCTION ADD LINES 2A AND 2B SUBTRACT LINE 2C FROM LINE 1 EXEMPTION DEDUCTION FROM LINE 2B NONBUSINESS CAPITAL LOSSES NONBUSINESS CAPITAL GAINS EXCESS OF LINE 5 OVER LINE 6 EXCESS OF LINE 6 OVER LINE 5 NONBUSINESS DEDUCTIONS NONBUSINESS DEDUCTIONS NONBUSINESS INCOME ADD LINES 8 AND 10 EXCESS OF LINE 9 OVER LINE 11 EXCESS OF LINE 9 OVER LINE 19 BUSINESS CAPITAL LOSSES BUSINESS CAPITAL LOSSES	2,196,483 2,900 14,741,873 983,607 13,758,266 0. 210,114 966,343 966,343	-6,558,190. 2,199,3838,757,573. 2,900.
16. 17. 18. 19. 21. 22. 23. 24. 25. 26. 27.	ADD LINES 13 AND 15 EXCESS OF LINE 14 OVER LINE 16 ADD LINES 7 AND 17 LOSS FROM SCHEDULE D, LINE 17 SECTION 1202 EXCLUSION SUBTRACT LINE 20 FROM LINE 19 LOSS FROM SCHEDULE D, LINE 18 SUBTRACT LINE 22 FROM LINE 21 SUBTRACT LINE 21 FROM LINE 22 SUBTRACT LINE 23 FROM LINE 18 PRIOR YEARS' NET OPERATING LOSSES 2001 NET OPERATING GAIN (LOSS) (COMBINE LINES 3, 4, 12, 20, 24, 25, AND 26)	19,000. 19,000. 0. 13,758,266. 13,739,266. 13,739,266. 3,000. 13,736,266.	0. 22,000. 0. <u>-8,732,673.</u>

2001	NOL WORKSHEETS		PAGE 2
	THOMAS J. GONZALES		545-13-6755
COMPUTATION OF 2001 AMT NET	T OPERATING LOSS		
1. FORM 6251, LINE 21 2. NONBUSINESS CAPITAL LO 3. NONBUSINESS CAPITAL LO 4. EXCESS OF LINE 2 OVER 5. EXCESS OF LINE 3 OVER 6. NONBUSINESS DEDUCTIONS 7. NONBUSINESS INCOME 8. ADD LINES 5 AND 7 9. EXCESS OF LINE 6 OVER 10. EXCESS OF LINE 6 OVER 11. BUSINESS CAPITAL GAINS 12. BUSINESS CAPITAL GAINS	DSSES AINS LINE 3 LINE 2 S LINE 8 LINE 6	14,741,873. 983,607. 13,758,266. 0. 6,559. 822,570. 822,570.	-6,370,217. 0.
13. ADD LINES 10 AND 12 14. EXCESS OF LINE 11 OVER 15. ADD LINES 4 AND 14 16. LOSS FROM SCHEDULE D, 17. SECTION 1202 EXCLUSION 18. SUBTRACT LINE 17 FROM 19. LOSS FROM SCHEDULE D, 20. SUBTRACT LINE 19 FROM 21. SUBTRACT LINE 18 FROM 22. SUBTRACT LINE 20 FROM 23. 2001 AMT NET OPERATING (COMBINE LINES 1, 9, 17)	LINE 13  LINE 17  LINE 16  LINE 18  LINE 18  LINE 19  LINE 15  GAIN (LOSS)	19,000. 19,000. 0. 13,758,266. 13,739,266. 13,739,266. 3,000. 13,736,266.	0. 22,000. -6,348,217.

	Regular	AMT
2001 Per NOL Worksheets 1996 To 1997	(8,732,673) TBD	(6,348,217) TBD
1997	(8,732,673) TBD	(6,348,217) TBD
To 1998 1998 Per NOL Worksheets	(8,732,673) 63,111	(6,348,217) 72,012
To 1999 1999 Per NOL Worksheets	(8,669,562) 200,914	(6,276,205) 209,309
To 2000 2000 Per NOL Worksheets	(8,468,648) 160,794	(6,066,896) 581,114
Unused NOL	(8,307,854)	(5,485,782)

Del Instructions on page 19.) Use the RIS label. Otherwise, please print or type.  Presidential Election Campaigr (See page 19.)	For the year Ja Your first name THOMA If a joint return Home address 134 I City, town or p	AS J. GONZAI  n. spouse's first name and init  s (number and street). If you h  AKES BLVD	tax year begin LES tial	ning Last n Last n	(99) ; , 2000, ending ame	RS Use Only - Do not wri	, 20 <b>Your</b> : 5	OMB No. social security r		4
instructions on page 19.) Use the IRS label. Otherwise, please print or type.  Presidential Election Campaigr	THOMA  If a joint return  Home address  134 I  City, town or p	ne and initial  AS J. GONZAI  n. spouse's first name and init  s (number and street). If you h  AKES BLVD	LES tial	Last n. Last n.	, 2000, ending ame		, 20 <b>Your</b> : 5	OMB No. social security r	umber	4
On page 19.) Use the IRS label. Otherwise, please print or type.  Presidential Election Campaigr	THOMA  If a joint return  Home address  134 I  City, town or p	AS J. GONZAI  n. spouse's first name and init  s (number and street). If you h  AKES BLVD	tiai	Lastin			5.	social security r 45-13-	umber	
On page 19.) Use the IRS label. Otherwise, please print or type.  Presidential Election Campaigr	H a joint return  Home address  134 I  City, town or p	n, spouse's first name and init s (number and street). If you h AKES BLVD	tiai		<u>erne</u>				6755	
Use the RS label. Otherwise, please print or type.  Presidential Election Campaigr	Home address 134 I City, town or p	* (number and street). If you hakes BLVD			R/me					í
label. Otherwise, please print or type.  Presidential Election Campaigr	134 I City, town or p	AKES BLVD	nave a P.O. bo	X, see page 19			1	e's social secu	rity numbe	
please print or type.  Presidential  Election Campaigr	134 I City, town or p	AKES BLVD		X. SOO DAOR 19.						
Presidential Election Campaign	City, town or p	post office state and 7/P and		7 7		Apt. no.	<b>A</b>	IMPOR	TANTI	
Election Campaigr	DAYTO		a Humu baya	a foreign address, see page 1				You mus		•
Election Campaigr		N, NV 89403	u. n you nave :	a loreign address, see page 1	9.			your SSN(s	above	L.
				tax or reduce your refu		· · · · · · · · · · · · · · · · · · ·				
		Of VOLUE STOCKED If filling	a loist rotur	tax or reduce your refu	und.			You	Spous	<b>3e</b>
	1 X	Single	a jour retur	n, want \$3 to go to this	fund?	<u> </u>	. ▶ 🛮 🗤	95 🛛 No	Ves [	No
Filing Status		Married filing joint retui	m (even if c	why one had become						
	3	Married filing senarate	return Ent	or spouse's and income)						
Check only	4	Head of household (wi	th qualifying	er spouse's soc. sec. n	io. above & full na	me here 🕨		···		
one box.		enter this child's name	here 🕨	person). (See page 1	9.) If the qualifyin	g person is a child t	out not you	ır dependen	t,	
				ent child (year spouse o	dt_d b					
	6a 🛛 Yo	urself. If your parent	(or someon	ne else) can claim you a	died >	). (See page 19.)				
Exemptions		return, do not	t check box	6a	as a dependent o	n his or her tax				
_	b □ Sp	ouse					}	No. of boxes checked on		
	c Depen	dents:					f qualifying	6a and 6b		_1
	(1) First /			(2) Dependent's social security number	(3) Deper	to you child for	r child tax	No. of your children on		
					+	credit (se	e page 20)	Bc who:		
If more than six								<ul> <li>lived with y</li> </ul>		
dependents,								did not live you due to div	with corce	
see page 20.								or separation (see page 20)	)	
<b>-</b>										
<i></i>								Dependents on 6c not		
ast.					<del></del>			entered above Add numbers	,	····
	d Total nu	imber of exemptions cli	aimed					entered on lines above	<b>L</b>	7
Income	agoo,	salai les, tips, etc. Atta	CH Form(s)	W-2		ı	7	207,	545	لث
moonie	oa (axadie	interest. Attach Sched	dule B if req	uired			8a	720,		
Altach	D I DX-BX6	empt interest. Do not i	include on li	ne 8a [	8b	1 1			233	
Forms W-2 and	9 Ordinary	dividends. Attach Sch	nedule B if r	equired			9	708,	509	
W-2G here. 1	u iaxabie	refunds, credits, or off:	sets of state	and local income taxe	s (see page 22)	-	10		931	
Form 1099-R If	i Allmony	received				F-	11			
	Control o	s income or (loss). Atta	ich Schedu	e C or C-EZ			12			
1; 14	Capital g	pain or (loss). Attach So	chedule Dif	required. If not require	d, check here	▶ □	13	-3,	000	
	Otherga	ins of (losses). Attach	Form 4797	·····			14	······································		
16	ru roughing		158		<b>b</b> Taxable an		5b			
f you did not 17		sions and annuities	16a		<b>b</b> Taxable am	ount (see pg. 23) 1	6b			
jet a W-2,	Forming	ai estate, royalties, pai	nnerships,	S corporations, trusts, e	etc. Attach Sched	ule E	7	-919,	016	
	I Inomeie	ome or (loss). Attach S	ichedule F			1	8			
Inclose, but do not utach any payment. 20		yment compensation					9	······································		
viso, please use form 1040-V. 21			20a		<b>b</b> Taxable am	Dunt (see pg. 25) 20	Ob do			
_,	Add the e	ome. SEE STAT	EMENT.	2		2	1 -8	1,567,	927	
22	Add the a	mounts in the far right	column for	lines 7 through 21. This	is your total	ome 2	2 - 7	,849,	725	_
22	IDA dadu	cuon (see page 27) ,	• • • • • • • • • • •		23	CAM		MA	<b>1</b>	
23	INA GEGU		COO DOGO 7	7)	24			100	1	
23 Adjusted 24	Student lo	ean interest deduction (	(see page 2				·		de la	
23 Adjusted 24 Gross 25	Student lo Medical sa	ean interest deduction ( avings account deduct	ion. Attach	Form 8853	25		4.1	-		
23 Adjusted 24 Gross 25 ncome 28	Student lo Medical sa Moving ex	ean interest deduction ( avings account deduct openses. Attach Form (	ion. Attach	Form 8853	25 26			•		
23 Adjusted 24 Bross 25 ncome 26 27	Student lo Medical sa Moving ex One-half o	ean interest deduction ( avings account deduct spenses. Attach Form ( of self-employment tax.	ion. Attach 3903 . Attach Sch	Form 8853	<del></del>			•		
23 Adjusted 24 Gross 25 ncome 26 27 28	Student lo Medical sa Moving ex One-half o Self-emplo	ean interest deduction ( avings account deduct spenses. Attach Form 3 of self-employment tax. byed health insurance (	ion. Attach 3903 . Attach Sch deduction (s	Form 8853	26			•		
23 Adjusted 24 Gross 25 ncome 26 27 28	Student lo Medical sa Moving ex One-half o Self-emplo	nan interest deduction ( avings account deduct spenses. Attach Form ( of self-employment tax. byed health insurance o byed SEP, SIMPLE, an	ion. Attach 3903 Attach Sch deduction (s nd qualified)	Form 8853	26			•		
23 Adjusted 24 Gross 25 ncome 26 27 28 29	Student lo Medical sa Moving ex One-half o Self-emplo Self-emplo Penalty on	an interest deduction ( avings account deduct spenses. Attach Form ( of self-employment tax. byed health insurance of byed SEP, SIMPLE, and learly withdrawal of sa	ion. Attach 3903 Attach Sch deduction (s d qualified   avings	Form 8853	26 27 28			·		
23 Adjusted 24 Gross 25 ncome 26 27 28 29 30	Student lo Medical sa Moving ex One-half o Self-emplo Self-emplo Penalty on	ean interest deduction ( avings account deduct spenses. Attach Form 3 of self-employment tax. byed health insurance o byed SEP, SIMPLE, an a early withdrawal of sa aid. b Recipient's SSN	ion. Attach 3903 Attach Sch deduction (s d qualified ) avings	Form 8853 2  anedule SE 29) 2  blans 2  3	26 27 28 28 29 20 00 1a					
23 Adjusted 24 Gross 25 ncome 26 27 28 29	Student lo Medical si Moving ex One-half o Self-emplo Self-emplo Penalty on Alimony pa	nan interest deduction ( avings account deduct spenses. Attach Form 3 of self-employment tax. byed health insurance of byed SEP, SIMPLE, an a early withdrawal of sa aid. b Recipient's SSN 23 through 31a	ion. Attach 3903 Attach Sch deduction (s d qualified avings	Form 8853 2  aedule SE 2  see page 29) 2  plans 2	26   27   28   28   29   20   21   21   21   21   21   21   21	32	800000000000000000000000000000000000000		0	

se 4:08-cv-03189	Document 1-5	Filed 07/02/
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FORTH 1040 (2		IOMAS J. GONZALES				54	45-13-6755 Page :
Tax and	34	Amount from line 33 (adjusted gross income)				34	-7,849,725
Credits	35	Check if:  You were 65 or older,  Blind;	☐ Spouse was	65 or older. B	lind.		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
		Add the number of boxes checked above and enter the	e total here	********	▶ 35a		
	7 1	If you are married filing separately and your spouse ite					
**************************************	L	a dual-status alien, see page 31 and check here		is, or you were	▶ 35b 🔲		!
for Most People	36	Effler your itemized deductions from Schedule A line	e 28 or etender	d dadmatian	7 000		
Single:	-	Shown on the left. But see page 31 to find your stands	erd doduction if w	ou obsokad			477 256
\$4,400	37	any box on line 35a or 35b or if someone can claim yo	ou as a depender	nt		36	477,356
Head of household:	38	Subtract line 36 from line 34	• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • •	37	-8,327,081
\$6,450	36	If line 34 is \$96,700 or less, multiply \$2,800 by the total If line 34 is over \$96,700, see the worksheet on page 3	al number of exer	nptions claimed on	line 6d.		
Married filing jointly or	39					38	2,800
Qualifying	40	Tex (one page 22). Check if any text is formatter in the control of the control o				39	0
widow(er): \$7,350	41	Tax (see page 32). Check if any tax is from a For	rm(s) 8814 <b>b</b> 📙	Form 4972		40	0
Manted	1	Alternative minimum tax. Attach Form 6251		• • • • • • • • • • • • • • • • • •	· · · · · · · · · · · · · · · · · · ·	41	8,013
filing	42	Add lines 40 and 41	• • • • • • • • • • • • • • • • • •		<b>&gt;</b>	42	8,013
separately \$3,675.	43	Foreign tax credit. Attach Form 1116 if required					
L	44	Credit for child and dependent care expenses. Att. For	m 2441	44			
	45	Credit for the elderly or the disabled. Attach Schedule	R	45			1
	46	Education credits. Attach Form 8863		46			
	47	Child tax credit (see page 36)		47			
	48	Adoption credit. Attach Form 8839		48			
	49	Other. Check if from a Form 3800 b Form					
		c ☐ Form 8801 d ☐ Form (specify)		49			1
	50	Add lines 43 through 49. These are your total credits.				50	
	51	Subtract line 50 from line 42. If line 50 is more than line	42. enter -0-			51	8,013
Other	52	Self-employment tax. Att. Sch. SE	,,			52	8,013
Taxes	53	Social security and Medicare tax on tip income not repo	orted to employe	r Attach Form 4127	,		
laxes	54	Tax on IRAs, other retirement plans, and MSAs. Attach	Form 5320 if re	nulrad		53	
	55	Advance earned income credit payments from Form(s)	W-2	quii eu		54	
_	56	Household employment taxes. Attach Schedule H	· • • • • • • • • • • • • • • • • • • •		· · · · · · · · · · · · · · · ·	55	
	57	Add lines 51 through 56. This is your total tax	• • • • • • • • • • • • • • • • • • • •			56	
Payments	58	Federal income tax withheld from Forms W-2 and 1099	1	58 5	7 207	57	8,013
rayments		2000 estimated tax payments and amount applied from		59	7,307		
If you have a qualifying		Earned Income credit (EIC)		60a			
child, attach	[ b	Nontaxable earned income: amt.		008			
Schedule EIC.	-	and type	NO.				
	61	Excess social security and RRTA tax withheld (see page					
		Additional child tax credit. Attach Form 8812		61			
				62			
	64	Amount paid with request for extension to file (800 p Other payments. Check if from a  Form 2439 b	age 50)		6,000		
				64			į
······································	05	Add lines 58, 59, 60a, and 61 through 64. These are you	ur total paymen	<u>ts</u>	<u></u> ▶	65	903,307
Refund	66	f line 65 is more than line 57, subtract line 57 from line (	65. This is the ar	nount you <b>overpaid</b>	l	66	895,294
Have it directly	0/a	Amount of line 66 you want refunded to you	• • • • • • • • • • • • • • • • • • •		▶ [_0	57a	895,294
depositedi See page 50			_		H		
and III in 67b,			🕨 c Type: 🗌 Ch	necking 🗌 Savir	ngs 🖟		
87c, and 67d.		ccount number		. 91	a l		1
		mount of line 68 you want applied to your 2001 estin		68			
Amount	69	line 57 is more than line 65, subtract line 65 from line 5	7. This is the an	ount you ow	SAIII		naa
You Owe	,	or details on how to pay, see page 51	• • • • • • • • • • • • • • • • • • • •	A	A WIND	5	I G G G
				70			
Sign	Under p true, co	enables of perjury, I declare that I have examined this return and accomment, and complete. Declaration of preparer (other than taxpayer) is bas	npanying schedules a sed on all information	ind statements, and to the of which preparer has an	best of my knowledge knowledge.	and be	alief, they are
Here	You	signature ! Da	ite [	Your occupation		J Dav	time phone number
loint retum? See page 19.	7			CHIEF TECH	HNOLOGY C	1	•
Geep a copy or your	Spo	ise's signature. If a joint return, bothboth must sign. Dal		Spouse's occupation	HNOLOGY C		25 941-6014 the IRS discuss this return
ecords.	7			, a cooperor		with	the preparer shown below?
	D			Date	···		L∆176€ ∐NO
CF	Prepare signatur			0	heck if	_	parer's SSN or PTIN
Preparer's	~~~	V DIEVEN F. SMIIN	EADY C D		elf-employed		73-90-7124
Jse Only		me (or yours		EAV	EIN	68-	0307221
Joe Orlly	if self-en address,	and 7ID and a	D. #A110				
		LAFAYETTE, CA 94549			Phone no.	(92	(5) 299-1040

SCHEDULE (Form 1040)			Schedule A - Itemized Deductions	•	<u></u>	OMB No. 1545-0074
Department of the Tr Internal Revenue Se	reasury irvice	(99)	Attach to Form 1040. See Instructions for Schoolules A and D			2000 Attachment 07
Name(s) shown on F			► Attach to Form 1040. ► See Instructions for Schedules A and B	(Form 1040).	1 :	Sequence No. U7
OMAS	J.	GON	VZALES			ocial security number
McLal		Ca	aution. Do not include expenses reimbursed or paid by others.		545-	13-6755
and		1 Me	edical and dental expenses (see page A-2)			
Dental Expenses		2 En	nter amount from Form 1040, line 34 2		-	
Lxpenses			ultiply line 2 above by 7.5% (.075)			
		<u> 4 Su</u>	btract line 3 from line 1. If line 3 is more than line 1, enter -0-	· · · · · · · · · · · · · · · · · · ·	4	
Taxes You		<b>3</b> 00	are and local income taxes	15,845		
Paid		<b>6</b> Re	eal estate taxes (see page A-2)	15,000	1	
		7 Pe	rsonal property taxes	3,500		
(See page A-2.)		8 Otl	her taxes. List type and amount		1	
		_				
		-				
		9 Ade	d lines 5 through 9			
Interest	10	) Ho	d lines 5 through 8.		9	34,34
You Paid			me mortgage interest and points reported on Form 1098			
See	1	Hon who	ne mortgage interest not reported to you on Form 1098. If paid to the person from rm you bought the home, see page A-3 & show that person's name, ID no. & address			
page A-3.)		<b>&gt;</b>	A solution and payer Ard a show that person's name, ID no. & address			
lote.						
Personal nterest is						
ot eductible.	12	Poi	nts not reported to you on Form 1098. See pg. A-3STMT3. 12	141		
	13	Inve	estment interest. Attach Form 4952, if required.			
	14	OΘ.	e page A-3.)			
ifts to	15	Gift	I lines 10 through 13		14	14
	16		s by cash or check. If any gift of \$250 or more, see pg. A-4 .ST4 15	11,000		
ade a	10	You	er than by cash or check. If any gift of \$250 or more, see page A-4.  I must attach Form 8283 if over \$500			
ift and got a enefit for it.	17	Can	nover from pelancian			
page A-4.	18	Add	Ulines 15 through 17DISALLOWED. CONTRIBUTIONS	11 000		
asualty and	19		ualty or theft loss(es). Attach Form 4684.	<del>.</del> ± ±., ±00	18	
heft Losses		(Sec	e page A-5.)		19	(
ob Expenses	20	Unre	eimbursed employee expenses - job travel, union dues, job education			
nd Most Other		etc.	You must attach Form 2106 or 2106-EZ if required. (See page A-5.)			
eductions		► _F(	DRM 2106 (TAXPAYER) 442,870			
	21	Tev	preparation fees	442,870		
	22		er expenses - investment, safe deposit box, etc. List type and amount			
	 1	<b>→</b>		į.		
	•					
99				. A		1 .
ge A-5 for			K7 C	uma	M.	ded
penses to duct here.)						](0.0)( ]
	23	Add I	ines 20 through 22	442,870	• 1 •	
	24	Enter	amount from Form 1040, line 34 24 -7, 849, 725	442,070		
	25		Oly line 24 above by 2% (.02)	Ř.		
	26		act line 25 from line 23. If line 25 is more than line 23, enter -0-	<del></del>	26	442 970
her	27	Other	- from list on page A-6. List type and amount		20	442,870
scellaneous		_		·		
ductions				·	2	
(					27	0
<b>\</b>	28	Is For	m 1040, line 34, over \$128,950 (over \$64,475 if married filing separately)?			<u> </u>
mized		⊠ N	Your deduction is not limited. Add the amounts in the far right column	ļ		
ductions			for lines 4 through 27. Also, enter this amount on Form 1040, line 36.		28	477,356
		U Ye	es. Your deduction may be limited. See page A-6 for the amount to enter	·	<del>+</del>	

Case 4:08-cv-03189 Document 1-5 Filed 07/02/2008 Page 13 of 52

ML  MI  BLACKSTONE REALTY INVESTORS, LLC  SHAWMARI MOTOR VACHT LTD  NEW WORLD, LLC  THOMAS J. GONZALSS INVESTMENT GORP  1 0.6, 58  SHAWMARI MOTOR VACHT LTD  NEW WORLD, LLC  THOMAS J. GONZALSS INVESTMENT GORP  2 Add the amounts on line 1.  3 Excludable interest on series EE and IU.S. savings bonds issued after 1989 from Form 8815, line 14.  3 Excludable interest on series EE and IU.S. savings bonds issued after 1989 from Form 8815, line 14.  3 Excludable interest on series EE and IU.S. savings bonds issued after 1989 from Form 8815, line 14.  3 Excludable interest on series EE and IU.S. savings bonds issued after 1989 from Form 8815, line 14.  4 Subtract line 3 from line 2. Enter the result here and on Form 1940, line 8a  Note. If you had over \$400 in ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13.  MERRILL LYNCH	Name(s) show	n on F	m 1040. Do not enter name and social security number if shown on other side.		io. 1545-0074 Your social se	curity number	Page
Note: if you had over \$400 in laxable interest, you must also complete Part III.    Amount	1110111	10		54	5-13-	6755	
List name of payer, if any interest is from a safer-financed mortpage and the buyer used the properly as a personal residence, see page 8-1 and list this interest first. Also, show that buyer's social security number and address > MT_DIABLO_NAT_L_BANK	-(*)-	No.					
List name of payer, if any interest in from a solid-interest first. Also, show that boyer's social security must also as personal residence, see page B-1 and list this interest first. Also, show that boyer's social security must also as personal residence, as page B-1 and list this interest first. Also, show that boyer's social security must also as personal residence, as page B-1 and list this interest first. Also, show that boyer's social security must also as personal residence, as page B-1 and list this interest first. Also, show that boyer's social security must also as page B-1 and list this interest first. Also, show that boyer's social security must also as part and address. Purple To Page II and			tte: 11 you had over \$400 m taxable interest, you must also complete Part III.				
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Through the season of the seas		•	as a personal residence, see page 8-1 and liet this interest first. Also				
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Debetage lifers   Debetage	ubstitute		THOMAS J. GONZALES INVESTMENT CORP		·		
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tell page 8-1 dire instructions for Form 1040, line 13.   MERRILL LYNCH  SPANWARI HELIO, LLC  SHAMWARI HELIO, LLC  MACH ONE AVIATION, LLC  CLIFFSIDE ENTERTAINMENT, INC.  6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9  Add the amounts on line 5. Enter the total here and on Form 1040, line 9  You must complete this part if you (a) had over \$400 of interest or ordinary dividends; (b) had a foreign account; or country, such as a bank account, securities account, or other financial account? See page 8-2 for exceptions and filling requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1  B During 2000, did you receive a distribution from or overe you the graptic of a transferont or the requirements for Form 1D F 90-22.1		1401	e. If you had over \$400 in ordinary dividends, you must also complete Part III.				
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If "Yes," you may have to file Form 3520. See page 8-2	(合學)	8 C	uning 2000, did you receive a distribution from or were you the grantor of or transferor to a familia to the			- Pirk	

Schedules A&B (Form 1040) 2000

SCHE	DULĖ	D
(Form	1040)	

Capital Gains and Losses

OMB No. 1545-0074 2000

Department of the Treasury Internal Revenue Service

Attach to Form 1040.

▶ See instructions for Schedule D (Form 1040).

Use Schedule D-1 for more space to list transactions for lines 1 and 8

Name Thown on Form 1040			mere opece to not but	isactions for inless to	Your social sec	Sequence No.
The AS J. GONZ					545-13	-
Part I Short-Ter	m Capital Gains	and Losses	- Assets Held On	e Year or Less		
1 (a) Description of property (Example, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	
SEE ATTACHED S	STATEMENT			(300 page 5-0)		-
	VARIOUS	VARIOUS	231,808,133	233,401,14	2 <b>-1,</b> 593,009	,
BLACKVEST	VARIOUS	VARIOUS	220 700 000	370 000 00		7
	VARCEOUS	VARTOUS	230,798,000	3/2,800,00	0-142,002,000	-
						1
2 Enter your short-term too Schedule D-1, line 2	tals, if any, from					
3 Total short-term sales		2		-		_
Add column (d) of lines 1	1 and 2		462,606,133			
4 Short-term gain from For	rm 6252 and short-ter	rm gain or (loss) fr	om			]
Forms 4684, 6781, and 8	8824	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			4
5 Net short-term gain or (lo	oss) from partnership	s, S corporations.	estates, and trusts from	Schedule(s) K-1	5	
6 Short-term capital loss co	arryover. Enter the a	mount if any from	line 8 of your			1
1999 Capital Loss Carry	over Worksheet	• • • • • • • • • • • • • • • • • • • •		<u>e</u>	3 (	)
7 Net short-term capital	gain or (loss). Com	hine column (f) of t	lines 1 through 6		143505000	
Part II Long-Tern	n Capital Gains	and Losses	– Assets Held Moi	re Than One Year	·  -143595009 ·	
scription of property ple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss)	(g) 28% rate gain
- Company of the Comp	TATEMENT	(Mo., day, yr.)	(see page D-6)	(see page D-6)	Subtract (e) from (d)	or ((trans) * (see instr. below)
	VARIOUS	VARIOUS	137,601,269	5.079.773	132,521,496	
				3737775	132,321,490	
<del></del>						
		ļ				
9 Enter your long-term total					33	
Schedule D-1, line 9	any, trom					
10 Total long-term sales p	rice amounts.					
Add column (d) of lines 8			137,601,269		<u>ae ama</u>	nana
11 Gain from Form 4797, Pal and long-term gain or (los	rt I; long-term gain fro s) from Forms 4684,	om Forms 2439 an 6781, and 8824	nd 6252;		שווה ער	INDA
12 Net long-term gain or (loss	s) from partnerships,	S corporations, es	states, and trusts from So	thedule(s) K-1 . 12		
13 Capital gain distributions.	See page D-1	• • • • • • • • • • • • • • • • • • • •				
14 Long-term capital loss can if any, from line 13 of your	rvover. Enter in both	columns (f) and (c	i) the amount	<del>'''-</del>		(
15 Combine column (g) of line				<del></del>		
				<del> </del>		
6 Net long-term capital ga Go to Part III on the	i <b>in or (loss)</b> . Combin	e column (f) of line	es 8 through 14	▶ 16	132,521,496	
- ( Go to Part III on the	Uack.					

\* \_\_\_\_\_ate gain or loss includes all "collectibles gains and losses" (as defined on page D-6) and up to 50% of the eligible gain on qualified small business stock (see page D-4).

Schedule D (Form 1040) 2000 THOMAS J. GONZALES

Filed 07/02/2008

545-13-6755 Page 2 Part III | Summary of Parts I and II Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13 -11,073,513 Complete Form 1040 through line 39. Then, go to Part IV to figure your tax if: Both lines 16 and 17 are gains and • Form 1040, line 39, is more than zero. Otherwise, stop here. 18 If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the smaller of these losses: • The loss on line 17 or • (\$3,000) or, if married filling separately, (\$1,500) ..... 18 3,000) Skip Part IV below. Instead, complete Form 1040 through line 37. Then, complete the Capital Loss Carryover Worksheet on page D-6 if: The loss on line 17 exceeds the loss on line 18 or Form 1040, line 37, is a loss. Part IV Tax Computation Using Maximum Capital Gains Rates 19 20 21 If you are filing Form 4952, enter the amount from Form 4952, line 4e 21 22 Subtract line 21 from line 20. If zero or less, enter -0-22 23 Combine lines 7 and 15. If zero or less, enter -0-23 Enter the smaller of line 15 or line 23, but not less than zero ..... 24 Enter your unrecaptured section 1250 gain, if any, from line 17 of the worksheet on page D-8 ...... 25 Add lines 24 and 25 ..... 26 27 Subtract line 26 from line 22. If zero or less, enter -0-28 Subtract line 27 from line 19. If zero or less, enter -0-29 Enter the smaller of: The amount on line 19 or \$26,250 if single; \$43,850 if married filing jointly or qualifying widow(er); 29 \$21,925 if married filing separately; or \$35,150 if head of household anter the smaller of line 28 or line 29 30 31 Subtract line 22 from line 19. If zero or less, enter -0-31 32 Enter the larger of line 30 or line 31 ..... 32 33 Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies 33 Note: If the amounts on lines 29 and 30 are the same, skip lines 34 through 37 and go to line 38. 34 Enter the amount from line 29 ...... 34 35 Enter the amount from line 30 ..... 35 36 37 Note: If the amounts on lines 19 and 29 are the same, skip lines 38 through 51 and go to line 52. 38 39 Enter the amount from line 36 ..... 39 40 Amended Note: If line 26 is zero or blank, skip lines 42 through 51 and go to line 52. 42 Enter the smaller of line 22 or line 25 ..... **43** Add lines 22 and 32 ..... 43 44 Enter the amount from line 19 ..... 44 45 Subtract line 44 from line 43. If zero or less, enter -0-45 46 Subtract line 45 from line 42. If zero or less, enter -0-46 47 Note: If line 24 is zero or blank, skip lines 48 through 51 and go to line 52. 48 Enter the amount from line 19 ...... 48 49 50 Subtract line 49 from line 48 ..... 50 ine 50 by 28% (.28) ..... 51 5. Sd lines 33, 37, 41, 47, and 51 ..... 52 53 Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies 53 54 Tax on all taxable income (including capital gains). Enter the smaller of line 52 or line 53 here and on Form 1040, line 40 . .

54

Scl	chedule E (Form 1040) 2000				Attachme	ent Sequence N	lo. <b>13</b>		Page 2
	me(s) shown on return. Do not enter name and social set HOMAS J. GONZALES	scurity number if shown on other s	ide.				ļ	l security number	r
	ote: If you report amounts from farming or	fishing on Schodule E year	must ontor vo		- 4 II	1* 41*		<u>13-675</u>	5
雅	1955 KITI RUST COMPLETE BING 42 DELOW.								
	Part II Income or Loss From column (e) or (f) on line 27 to	Partnerships and So describe your investment	Corporation the activity.	<b>Ons</b> If you re See page E-5.	port a loss fro If you check	m an at-risk ac column (f), you	ivity, you m must attach	ust check elt Form 6198.	ther
27	(a) Nar	ne		(b) Enter IP for partnership;	(c) Check if foreign	(d) E	mployer	Invest A	
A	SEE STATEMENT 5			S for S corp.	partnership	identificati	JII HURROW	at risk	(f) Some Is not at risk
В									<del> </del>
C									<del> </del>
D E									
=1	Passive Income and L	000				<u> </u>			<u></u>
	(g) Passive loss allowed	(h) Passive income from	Ø N			ncome and Lo tion 179			
	(attach Floor 83582 if required)	Schedule K-1	(i) Nonpassiv Schedu		expense of from For	leduction		assive income fro chedule K-1	m
4									T
B C									
<u>D</u>									
E									
28a	a Totals	9,036				I		····	
þ			919	9,016					
29	Add columns (h) and (k) of line 28a						29	9,03	
30	Add columns (g), (i), and (j) of line 28b			• • • • • • • • • • • • • •	· • • • • • • • • • • • • • • • • • • •		30 (	928,05	52 )
31	Total partnership and S corporation incor Enter the result here and include in the to						31	-919,01	
P	art III Income or Loss From I						311	212,01	101
32		(a) Name					(b) Em	ployer ID number	
匮									
c									
D							···		
	Passive Income	and Loss			Nonpa	ssive income	and Loss		
	(c) Passive deduction or loss allowed (attach Figure 95582 if required)	(d) Passive income from	m .	(e) De	duction or loss fro	om		er income from	
A	(antern recent cooker in required)	Schedule K-1			Schedule K-1		Sc	hedule K-1	
В							<del></del>		-
С					· · · · · · · · · · · · · · · · · · ·				
<u>D</u>									
	Totals								
b 14	Add columns (d) and (f) of line 33a					- <u>i</u>		<u>_</u>	
15	Andrew Committee	· · · · · · · · · · · · · · · · · · ·		• • • • • • • • • • • • • • • • • • • •	<b>4</b>	9 41	34	123	
6	Total estate and trust income or (loss). Co			* * * * * * * * * * * * * * * * * * * *		A.4.1	7	1	1 2
	Enter the result here and include in the to	tal on line 40 below		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·		36		
Pa	art IV Income or Loss From F	Real Estate Mortgag			s (REMIC	s) – Residu	al Holde	r	
7	(a) Name	(b) Employer identification number	Schedu	s inclusion from les Q, line 2c	(d) Taxable	income (net ioss)		) Income from	
			(388	page E-6)			-		
8	Combine columns (d) and (e) only. Enter	the result here and include	in the total on	line 40 below			18		
Pε	art V Summary								
	Net farm rental income or (loss) from Form		41 below				9		
0	Total income or (loss). Combine lines 26, Enter the result here and on Form 1040, li	31, 36, 38, and 39. ne 17					o -	919,01	6
	Reconciliation of Farming and Fishing	Income: Enter your gross	farming and fi	ishing					
3.4	income reported on Form 4835, line 7; Sch	nedule K-1 (Form 1065), lir	e 15b: Schedu	ile					
	K-1 (Form 1120S), line 23; and Schedule I			41					
2	Reconciliation for Real Estate Professi	onals. If you were real est	ate professions	al (see					
	pg. E-4), enter net income or (loss) you re real estate activities in which you materiall	poπed anywhere on Form y participated under passiv	1040 from all re e activity loss	ental rules. 42					

At-Risk Limitations 6198 OMB No. 1545-0712 2000 Attach to your tax return. Department of the Treasury mal Revenue Service Attachment See separate instructions. e(s) shown on return Identifying numbe THOMAS J. GONZALES 545-13-6755 Description of activity (See page 2 of the Instructions) THOMAS J. GONZALES INVESTMENT CORP Part I. Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts. (See Instructions.) Enterlosses in parentheses. Ordinary income (loss) from the activity. See page 2 of the instructions ..... 721 Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you initially report on: Schedule D .... 2a 2h Other form or schedule ..... 2c Other income or gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c 3 114,904 Other deductions or losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 3 ..... Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form 115,625 Simplified Computation of Amount At Risk (See page 3 of the instructions to find out if you may use this part.) Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero ..... 0 Increases for the tax year. See page 4 of the instructions ..... 7 Add lines 6 and 7 ..... 8 0 Decreases for the tax year. See page 4 of the instructions ..... 9 10 a Subtract line 9 from line 8 ...... b If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see Pub. 925 for information on the recapture rules 10b 0 Note: You may want to complete Part III to see if it gives you a larger amount at risk. Part III **Detailed Computation of Amount At Risk** (If you completed Part III of Form 6198 for 1999, see page 4 of the instructions.) 11 Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero ....... 12 Increases at effective date ..... 13 Add lines 11 and 12 ..... 13 14 Decreases at effective date..... Amount at risk (check box that applies): At effective date. Subtract line 14 from line 13. Do not enter less than zero. 15 From 1999 Form 6198, line 19b. (Do not enter the amount from line 10b of the 1999 form.) b Increases since (check box that applies): ☐ Effective date **b** The end of your 1999 tax year ..... Add lines 15 and 16 ..... Decreases since (check box that applies): **b** ☐ The end of your 1999 tax year ..... a L Effective date 18 Subtract line 18 from line 17 . . . . . . . . . . ▶ | 19a If line 19a is more than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see Pub. 925 for information on the recapture rules 19b Part IV Deductible Loss

For Paperwork Reduction Act Notice, see page 8 of the instructions.

report only that part on Form 8582 or Form 8810, whichever applies.

Deductible loss. If line 20 is zero, enter -0-; you do not have a deductible loss this year. Otherwise, enter the smaller of the line 5 loss (treated as a positive number) or line 20. See page 8 of the instructions to find out how to report any deductible loss and any carryover

Form 6198 (2000)

0

20

Note: If the loss is from a passive activity, see Form 8582, Passive Activity Loss Limitations, or Form 8810, Corporate Passive Activity Loss and Credit Limitations, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules,

Form 6251

Alternative Minimum Tax - Individuals

OMB No. 1545-0227 2000

Department of the Treasury Internal Revenue Service

See separate instructions.

▶ Attach to Form 1040 or Form 1040NR. Sequence No. 32 ws) shown on Form 1040 Your social security number MAS J. GONZALES 545-13-6755 Adjustments and Preferences If you itemized deductions on Schedule A (Form 1040), go to line 2. Otherwise, enter your standard deduction from Form 1040, line 36, here and go to line 6 1 Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 2 1/2% of Form 1040, line 34 .......... 2 Taxes. Enter the amount from Schedule A (Form 1040), line 9 ..... 3 34,345 Certain interest on a home mortgage not used to buy, build, or improve your home 4 Miscellaneous itemized deductions. Enter the amount from Schedule A (Form 1040), line 26 442,870 5 Refund of taxes. Enter any tax refund from Form 1040, line 10 or line 21 ..... 3,931 Investment interest. Enter difference between regular tax and AMT deduction ..... Post-1986 depreciation. Enter difference between regular tax and AMT depreciation 30,831 Adjusted gain or loss. Enter difference between AMT and regular tax gain or loss Incentive stock options. Enter excess of AMT income over regular tax income 10 10 Passive activities. Enter difference between AMT and regular tax income or loss ...... 11 Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (Form 1041), line 9 12 Tax-exempt interest from private activity bonds issued after 8/7/86 ..... 13 14 Other. Enter the amount, if any, for each item below and enter the total on line 14. a Circulation expenditures. h Loss limitations . . . . . . . I Mining costs ...... c Depreciation (pre-1987) . j Patron's adjustment . . . . d Installment sales..... k Pollution control facilities . Intangible drilling costs . . I Research & experimental. Large partnerships . . . . . m Section 1202 exclusion . . g Long-term contracts ... n Tax shelter farm activities. o Related adjustments . . . . 14 Total Adjustments and Preferences. Combine lines 1 through 14..... 504,115 15 art II Alternative Minimum Taxable Income -8,327,081 16 17 Net operating loss deduction, if any, from Form 1040, line 21. Enter as a positive amount 17 8,468,648 18 If Form 1040, line 34, is over \$128,950 (over \$64,475 if married filing separately), and you itemized deductions, enter the amount, if any, from line 9 of the worksheet for Schedule A (Form 1040), line 28 18 19 645,682 Alternative tax net operating loss deduction. See page 6 of the instructions 20 581,114 Alternative Minimum Taxable Income. Subtract line 20 from line 19. (If married filing separately and line 21 is more than \$165,000, see page 7 of the instructions.) 64, 568 Part III Exemption Amount and Alternative Minimum Tax 22 Exemption Amount. (If this form is for a child under age 14, see page 7 of the instructions.) AND line 21 is **THEN** enter IF your filing status is: not over . . . on line 22 . . . 45,000 33,750 22 Married filing separately ..... 75,000 ..... 22,500 If line 21 is over the amount shown above for your filing status, see page 7 of the instructions. 23 Subtract line 22 from line 21. If zero or less, enter -0- here and on lines 26 and 28 and stop here 23 30,818 24 If you reported capital gain distributions directly on Form 1040, line 13, or you completed Schedule D (Form 1040) and have an amount on line 25 or line 27 (or would have had an amount on either line if you had completed Part IV) (as refigured for the AMT, if necessary), go to Part IV of Form 6251 to figure line 24. All others: If line 23 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 23 by 26% (.26). Otherwise, multiply line 23 by 28% (.28) and subtract \$3,500 (\$1,750 if married filling separately) from the result 8,013 24 25 Alternative minimum tax foreign tax credit. See page 7 of the instructions. 25

28 Alternative Minimum Tax. Subtract line 27 from line 26. If zero or less, enter -0-.

8,013

26

27

Tentative minimum tax. Subtract line 25 from line 24 .....

nter your tax from Form 1040, line 40 (minus any tax from Form 4972 and any foreign tax credit

<sub>Form</sub> 2106	Employee Busines	s Exp	enses		OMB No. 1545-0139	
	➤ See separate instruc	2000				
ent of the Treasury Revenue Service (99)			Attachment Sequence No. 54			
Your name	TTT		nich you incurred expenses	1	curity number	
THOMAS J. GON		CHIEF '	TECHNOLOGY OF	545-	13-6755	
Part I Employe	e Business Expenses and Reimbursements					
Step 1 Enter Your	Expenses		Column A Other Than Meals and Entertainment		Column B Meals and Entertainment	
1 Vehicle expense from I	ine 22 or line 29. (Rural mail carriers: See instructions)	1				
2 Parking fees, toils, and did not involve overnig	transportation, including train, bus, etc., that that the travel or commuting to and from work	2				
3 Travel expense while a airplane, car rental, etc	way from home overnight, including lodging,  Do not include meals and entertainment	з	·			
4 Business expenses not Do not include meals a	included on lines 1 through 3. Ind entertainment	4	541,588			
	nt expenses (see instructions)	5				T
6 Total expenses. In Co in Column B, enter the	lumn A, add lines 1 through 4 and enter the result. amount from line 5	6	541,588			T
Note: If you were not re	simbursed for any expenses in Step 1, skip line 7 and enter the	amount from	m line 6 on line 8.			
Step 2 Enter Rein	nbursements Received From Your Employer	for Exper	nses Listed in Step 1			
Soox 1 of Form W-2. Incl	eceived from your employer that were <b>not</b> reported to you in ude any reimbursements reported under code "L" in box 13 nstructions)		00 710			T
	enses To Deduct on Schedule A (Form 1040		98,718		1	
					444	Т
8 Subtract line 7 from line than line 6 in Column A,	6. If zero or less, enter -0 However, if line 7 is greater report the excess as income on Form 1040, line 7	8	442,870		0	
Note: If both columns expenses. Stop h	of line 8 are zero, you cannot deduct employee business ere and attach Form 2106 to your return.		As Ar	n	nded	
(Employees subject to D	mount from line 8. In Column B, multiply line 8 by 50% (.50). department of Transportation (DOT) hours of service limits: by 60% (.60) instead of 50%.		- 1 J			

the instructions for special rules on where to enter the total.)

For Paperwork Reduction Act Notice, see instructions.

For details, see instructions.)

442,870 Form **2106** (2000)

10

10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 20. (Fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See

2000	NOL WORKSHEETS	PAGE 1
	THOMAS J. GONZALES	545-13-6755
NET C	PERATING LOSS CARRYOVERS USED IN 2000	
B. 1 C.	CARRY BACK YEAR NOL YEAR INITIAL LOSS NOL CARRY BACK	2000 <b>Z.001</b> 8,732,673 8,468,648
COMP.	UTATION OF MODIFIED TAXABLE INCOME	-,,
2. 3A. 3B. 4. 5. 6.	2000 TAXABLE INCOME  NOL CARRYOVERS FROM YEAR B AND LATER YEARS  NET CAPITAL LOSS DEDUCTIONS (FORM 1040, LINE 13)  GAIN EXCLUDED ON SALE OF QUALIFIED BUSINESS STOCK  ADJUSTMENT TO AGI  ADJUSTMENTS TO ITEMIZED DEDUCTIONS  PERSONAL EXEMPTIONS (FORM 1040, LINE 38)  MODIFIED TAXABLE INCOME	-8,329,881 8,468,648 3,000 0 0 16,227 2,800
	(ADD LINES 1, 2, 3A, 3B, 4, 5 AND 6)	160,794
	NOL ON LINE C ABSORBED THIS YEAR NOL ON LINE C NOT ABSORBED THIS YEAR	160,794 8,307,854
ADJUS	STMENTS TO ITEMIZED DEDUCTIONS	
9. C 10. A	2000 ADJUSTED GROSS INCOME CARRYOVERS FROM YEAR B AND LATER YEARS ADD LINES 3A, 3B AND 4 FROM ABOVE MODIFIED AGI (ADD LINES 8, 9, & 10)	-7,849,725 8,468,648 3,000 621,923
ADJUS	STMENT TO CHARITABLE CONTRIBUTIONS	
18. C	CHARITABLE CONTRIBUTIONS (FORM 1040, SCH A, LN 18) CHARITABLE CONTRIBUTIONS REFIGURED USING LINE 11 SUBTRACT LINE 18 FROM LINE 17	0 11,000 -11,000
ADJST	MENT TO MISCELLANEOUS DEDUCTIONS	
27. M 27. M 28. S	USCELLANEOUS DEDUCTIONS (FORM 1040, SCH A, LINE 26) USCELLANEOUS DEDUCTIONS (FORM 1040, SCH A, LINE 23) ULTIPLY LINE 11 BY 28 UBTRACT LINE 27 FROM LINE 26 (NOT LESS THAN ZERO) UBTRACT LINE 28 FROM LINE 25	442,870 442,870 12,438 430,432 12,438
T(	OTAL ITEMIZED DEDUCTION ADJUSTMENT ADD LINES 16, 19, 24, AND 29)	



2000	NOL WORKSHEETS	PAGE 2
	THOMAS J. GONZALES	545-13-6755
ADJUSTMENT TO OVE  30. FORM 1040, SC  31. ADD LINES 15,  SCHEDULE A, L  32. ADD LINES 15,  13 & GAMBLING  33. SUBTRACT LINE  34. MULTIPLY LINE  35. SUBTRACT \$128  36. MULTIPLY LINE  37. ENTER THE SMA  38. SUBTRACT LINE  (NO LESS THAN  39. TOTAL LIMITED	33 BY 80% ,950 (\$64,475 IF MFS) FROM LINE 11 35 BY 3% LLER OF LINE 34 OR LINE 36	477,356 475,918 0 475,918 380,734 492,973 14,789 14,789 461,129 16,227
AMT NET OPERATING LO	SS CARRYOVERS USED IN 2000	
A. CARRYBACK. YEAR B. NOL YEAR C. INITIAL LOSS D. NOL CARRYOVER COMPUTATION OF MOI	R	2000 <b>2001</b> 6,348,217 6,066,896
3. MULTIPLY LINE 4. PRIOR YEAR AMT 5. MODIFIED AMTI	1 BY 2 CARRYOVERS ABSORBED IN CURRENT YEAR (LINE 3 LESS LINE 4)	645,682 0.900 581,114 0 581,114
AMT NOL ABSORE AMT NOL NOT AB	SED THIS YEAR SORBED THIS YEAR	581,114 5,485,782



2000 FC	ORM 8582 WORKSHEETS	PAGE 1
	THOMAS J. GONZALES	545-13-675
WORKSHEET 2 FOR LINES 2A, 2B, AI	ND 2C	
NAME OF ACTIVITY  BLACKSTONE REALTY INVESTO NEW WORLD, LLC THOMAS J. GONZALES INVEST CLIFFSIDE ENTERTAINMENT,	\$ 9,036 1,192,452 \$ 9,036	OVERALL LOSS \$ 112,319 128,577 1,192,452 \$ 1433348
WORKSHEET 4 - ALLOCATION OF UN	FORM OR SCH TO UNALL	OWED
NAME OF ACTIVITY  BLACKSTONE REALTY INVESTO NEW WORLD, LLC CLIFFSIDE ENTERTAINMENT,	BE REPORTED ON LOSS RATIO LOS SCHEDULE E P2 \$ 112,319 0.0784 \$ 111	,611 ,766 ,935

NAME OF ACTIVITY	FORM OR SCH TO BE REPORTED ON		UNALLOWED LOSS	ALLOWED LOSS	
BLACKSTONE REALTY INVESTO NEW WORLD, LLC CLIFFSIDE ENTERTAINMENT,	SCHEDULE E P2 SCHEDULE E P2 SCHEDULE E P2	128,577 1,192,452	\$ 111,611 127,766 1,184,935 \$ 1424312	811 7,517	



#### 2000 FORM 8582 WORKSHEETS - ALTERNATIVE MINIMUM TAX PAGE 1 THOMAS J. GONZALES 545-13-6755 WORKSHEET 2 FOR LINES 2A, 2B, AND 2C CURR. YR. CURR. YR. PRIOR YR. NET INCOME NET LOSS UNALLOWED OVERALL OVERALL NAME OF ACTIVITY LINE 2A LINE 2B LOSS 2C GAIN LOSS BLACKSTONE REALTY INVESTO \$ 112,097 \$ 112,097 BLACKSTONE TECHNOLOGY PAR \$ 13 13 MILLENIUM 12, LLC 137 137 NEW WORLD, LLC 128,577 128,577 THOMAS J. GONZALES INVEST 9,036 9,036 CLIFFSIDE ENTERTAINMENT, 1,177,287 1,177,287 9,186 \$ 1417961 \$ 9,186 \$ 1417961 WORKSHEET 4 - ALLOCATION OF UNALLOWED LOSSES FORM OR SCH TO UNALLOWED NAME OF ACTIVITY BE REPORTED ON LOSS RATIO LOSS BLACKSTONE REALTY INVESTO SCHEDULE E P2 \$ 112,097 0.0791 \$ 111,371 NEW WORLD, LLC SCHEDULE E P2 128,577 0.0907 127,744 CLIFFSIDE ENTERTAINMENT, SCHEDULE E P2 ,177,287 0.8303 1,169,660 \$ 1417961 1.0001 \$ 1408775 WORKSHEET 5 - ALLOWED LOSSES FORM OR SCH TO UNALLOWED ALLOWED NAME OF ACTIVITY BE REPORTED ON LOSS LOSS LOSS BLACKSTONE REALTY INVESTO SCHEDULE E P2 \$ 112,097 \$ 111,371 \$ 726 NEW WORLD, LLC SCHEDULE E P2 128,577 127,744 833 CLIFFSIDE ENTERTAINMENT, SCHEDULE E P2 ,177,287 1,169,660 7,627 1417961 \$ 1408775 \$ 9,186 AMT WORKSHEET - PASSIVE ACTIVITY ADJUSTMENT TO FORM 6251, LINE 11 FORM OR SCH TO GAIN OR NAME OF ACTIVITY BE REPORTED ON LOSS OR LOSS BIRCH VENTURES LLC SCHEDULE E P2 \$ 0 \$ 0 BLACKSTONE REALTY INVESTO SCHEDULE E P2 -708 -726 SIERRA STAR LEASING, LLC SCHEDULE E P2 0 0 BLACKSTONE TECHNOLOGY PAR SCHEDULE E P2 0 13

SCHEDULE E P2

0

137

MILLENIUM 12, LLC

# FORM 8582 WORKSHEETS - ALTERNATIVE MINIMUM TAX

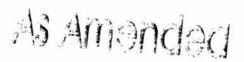
PAGE 2

THOMAS J. GONZALES

545-13-6755

(CONTINUED)
AMT WORKSHEET - PASSIVE ACTIVITY ADJUSTMENT TO FORM 6251, LINE 11

NAME OF ACTIVITY	FORM OR				GAIN OR LOSS	AMT GAIN OR LOSS
MILLENIUM 7, LLC SHAMWARI HELIO, LLC SHAMWARI MOTOR YACHT LTD NEW WORLD, LLC THOMAS J. GONZALES INVEST CLIFFSIDE ENTERTAINMENT,		EEE	P2 P2 P2 P2	\$	0 0 0 -811 9,036 -7,517	\$ 0 0 -833 9,036 -7,627
				ş	0	\$ 0



Passive Activity Loss Limitations	OMB No. 1545-1008
► See separate instructions.	2000
► Attach to Form 1040 or Form 1041.	Attachment Sequence No. 88
	Identifying number
	mam =

	ment of the Treasury	► See separate instruction	ns.				200	U
	Revenue Service	► Attach to Form 1040 or For	m 1041.				Attachment Sequence No.	88
	s) shown on return	IDS t ma					kientifying numbe	er
	MAS J. GON						545-13	-6755
	Caution:	assive Activity Loss See the Instructions for Worksheets 1 and 2 on page 8 before co	npleting	Part I.				
Rer Par	ntal Real Estate Act ticipation in a Rent	ivities With Active Participation (For the definition of active par al Real Estate Activity on page 4 of the instructions.)	ticipation	see Active	***			
1a	Activities with net in	ncome (enter the amount from Worksheet 1, column (a))	l 18	ı				
b		oss (enter the amount from Worksheet 1, column (b))		,	·			
С		d losses (enter the amount from Worksheet 1, column (c))				4		
d						)		
	Other Passive Activ	b, and 1c	• • • • • •	• • • • • • • • • • • • • • • • • • • •	· · · · · · · · · · · · · · · · · · ·	1d	<u> </u>	·····
				t				
28		come (enter the amount from Worksheet 2, column (a))			9,036	1		
b		ss (enter the amount from Worksheet 2, column (b))		( 1,433	3,348	4		
c		d losses (enter the amount from Worksheet 2, column (c))		<u> (                                    </u>		1		
<u>d</u>	Combine lines 2a, 2	b, and 2c				2d	-1,424	,312
Par	t II Special Note: Ente	d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to Allowance for Rental Real Estate With Active P or all numbers in Part II as positive amounts. See page 8 for exam	<b>articip</b> ples.	ation		3	-1,424,	,312
_	during the	ur filing status is married filing separately and you lived with your year, <b>do not</b> complete Part II. Instead, enter -0- on line 9 and go t	o line 10					
4	Enter the smaller of	the loss on line 1d or the loss on line 3		• • • • • • • • • • • • • • • • • • • •		4		8735 245
		arried filing separately, see page 8ted gross income, but not less than zero	5		<del></del>	_		
	(see page 8)	••••••	6			]		
	Note: If line 6 is greatine 9, and go to line	ater than or equal to line 5, skip lines 7 and 8, enter -0- on 10. Otherwise, go to line 7.				1		
		ine 5	7	AA	1			<b>3</b>
8 1	Multiply line 7 by 50%	6 (.5). Do not enter more than \$25,000. If married filing separately	, see pa	999	AM!	911	ded	ļ 
		line 4 or line 8				9		J
Part	III Total Los	sses Allowed						
10	Add the income, if an	y, on lines 1a and 2a and enter the total				10	9.	036
11 7	Total losses allowe	d from all passive activities for 2000. Add lines 9 and 10. See page 1	page 11 i	to	İ	11		036
or Pap	erwork Reduction	Act Notice, see page 12 of the instructions.					Form 858	



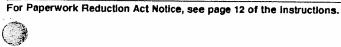
11

9,186

9,186

Form 8582 (2000)

ALTERNATIVE MINIMUM TAX 8582 Passive Activity Loss Limitations OMB No. 1545-1008 2000 See separate instructions. partment of the Tra Attachment mai Revenue Service ▶ Attach to Form 1040 or Form 1041. 88 Sequence No. e(s) shown on return Identifying number THOMAS J. GONZALES 545-13-6755 Part I 2000 Passive Activity Loss Caution: See the instructions for Worksheets 1 and 2 on page 8 before completing Part I. Rental Real Estate Activities With Active Participation (For the definition of active participation see Active Participation in a Rental Real Estate Activity on page 4 of the instructions.) Activities with net income (enter the amount from Worksheet 1, column (a)) 1a Activities with net loss (enter the amount from Worksheet 1, column (b)) ...... 1b Prior year unallowed losses (enter the amount from Worksheet 1, column (c)) 10 Combine lines 1a, 1b, and 1c ..... đ 1d All Other Passive Activities 2a Activities with net income (enter the amount from Worksheet 2, column (a)) 2a 9,186 Activities with net loss (enter the amount from Worksheet 2, column (b)) ...... b 1,417,961 2b Prior year unallowed losses (enter the amount from Worksheet 2, column (c)) 2¢ d Combine lines 2a, 2b, and 2c ..... -1,408,775 2d 3 Combine lines 1d and 2d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Do not complete Form 8582. Report the losses on the forms and schedules normally used. If this line and line 1d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to line 10 -1,408,775 Part II Special Allowance for Rental Real Estate With Active Participation Note: Enter all numbers in Part II as positive amounts. See page 8 for examples. Note: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II. Instead, enter -0- on line 9 and go to line 10. Enter the smaller of the loss on line 1d or the loss on line 3 ..... Enter \$150,000. If married filing separately, see page 8 ...... Enter modified adjusted gross income, but not less than zero Note: If line 6 is greater than or equal to line 5, skip lines 7 and 8, enter -0- on line 9, and go to line 10. Otherwise, go to line 7. Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see page 9 9 9 Part III **Total Losses Allowed** 



10

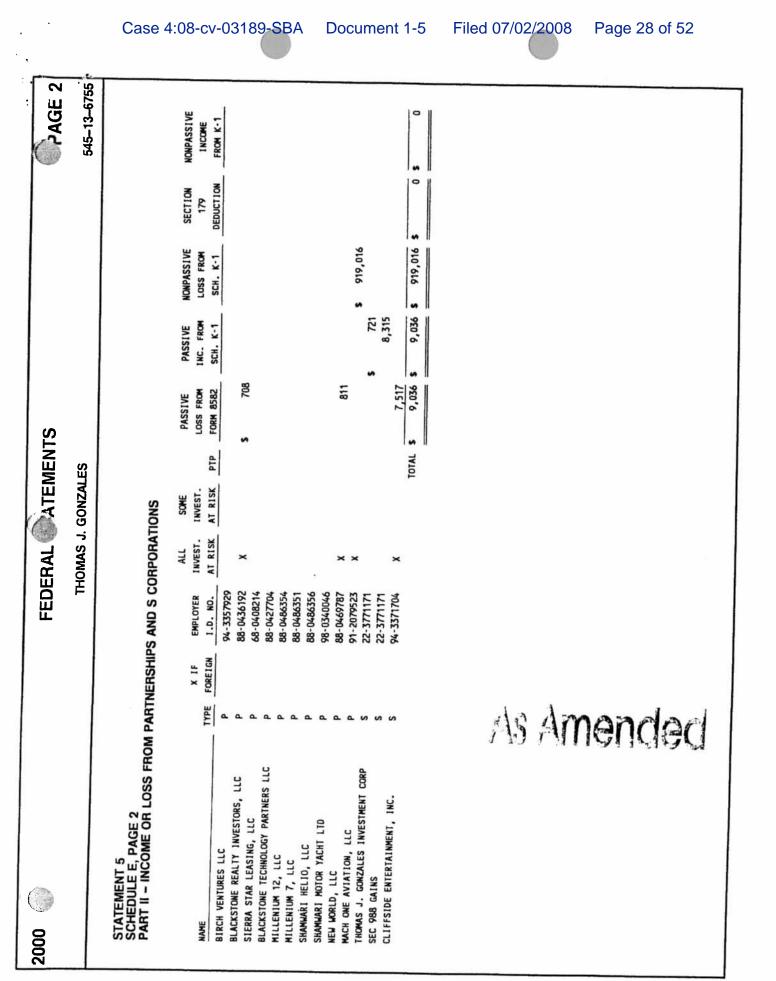
Add the income, if any, on lines 1a and 2a and enter the total

find out how to report the losses on your tax return

Total losses allowed from all passive activities for 2000. Add lines 9 and 10. See page 11 to

2000	FEDERAL ST	ATEMEN	TS			PAGE 1
	THOMAS J. C	GONZALES				545-13-675
STATEMENT 1 FORM 1040 WAGE SCHEDULE  TAXPAYER - EMPLOYER COMMERCE ONE INC GRAND TOTAL	WAGES	EDERAL W/H 57,307 57,307	FICA 4,724 4,724	MEDI- CARE 3,110 3,110	STATE W/H 15,613 15,613	
STATEMENT 2 FORM 1040, LINE 21 OTHER INCOME  GROSS INCOME ADJ - TGIC SCH E ADJ NET OPERATING LOSS CARRY		namani a las actiones la			8,	100,000 721 468,648 567,927
STATEMENT 3 SCHEDULE A, LINE 12 DEDUCTIBLE POINTS  AMORTIZATION		• • • • • • • • • • • • • • • • • • • •		TOTA	. <u>\$</u> L <u>\$</u>	141 141
STATEMENT 4 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH OR CHECO VARIOUS				TOTA		1,000 10,000 11,000
			de	lma	nda	<i>-</i> 1





CAGE 1	545-13-6755	CURRENT DEPR.		141	0 141	0	***************************************	
		RATE						
		METHOD LIFE RATE		30				
		METHOO		S/L				
		PRIOR DEPR.		153	153	0		
DULE		DEPR. BASIS		4,220	4,220	0		
SCHE		SALVAGE		0		0		
NO	LES	BASIS		0		0		
FEDERAL DEP	THOMAS J. GONZALES	PRIOR DEC. BAL. DEPR.		0	0 0	0		
DEP	OMAS	PRIOR 179 BONUS		0	0 0	0		
돭	Ĭ	CUR 179 BONUS		0		0		
EDE		BUS.		37				
2000 FI		COST/ BASIS		4,220	4,220	0		
		DATE						As Amended
		DATE		11/16/98				
12/31/0		NO. DESCRIPTION SCHEDULE A (POINTS)	AMORTIZATION	1 POINTS TOTAL ANORTIZATION	TOTAL DEPRECIATION GRAND TOTAL AMORTIZATION	GRAND TOTAL DEPRECIATION		

Filed 07/02/2008 Page 30 of 52 Case 4:08-cv-03189-SBA Document 1-5 545-13-6755 2000 FEDERAL ALTERNATIVE MIN MY TAX DEPRECIATION SCHEDULE REG. THOMAS J. GONZALES AMT AMT LIFE AMT AMT PRIOR DEPR. BASIS As Amended GRAND TOTAL DEPRECIATION DESCRIPTION TOTAL DEPRECIATION

TOTAL

NO.

-SBA	Document 1-5	Filed 07/0

· . [*]	DECE	EÄSED (THOM	MAS J. GONZALI	ES) 12/04/01							
1 R	104	40X nber 2000)		Department of the Treasury - Inte ed U.S. Individua ► See separate	al li	ncome Tax R	etur	rn		OMB No. 1545-0091	
7	a retu	rn is for calendar y	ear ▶ 2000	, or fiscal year ended ▶	msu	uctions.		· · · · · · · · · · · · · · · · · · ·			
	<b>357</b>	our first name and initial		Last name	•				Yourse	ocial security number	
į		THOMAS J. C							545-13-6755		
9	Ř Ü	a joint return, spouse's first	name and initial	Last name	8				Spouse's social security number		
E		ome address (no. and stree	t) or P.O. box if mail is not delivere	d to ware home							
Á		34 LAKES B		o to your norms			Ар	t. no.	Phone number		
Ň	CI	ty, town or post office, state	, and ZIP code. If you have a forei	on address, see page 2 of the instr	uctions	<b>.</b>				5 941-6014	
		AYTON, NV	89403							perwork Reduction Act see page 6.	
A	If the	name or address sh	own above is different from	that shown on the original	retur	n, check here					
В	Has	the original return bed	en changed or audited by the	ne IRS or have you been no	otified	that it will he?					
С	Filing	) Status. Be sure to Co	omplete this line. Note: Yo	u cannot change from joint	to se	parate returns after t	he due	e date.			
	On o	nginai retum ▶ 🔼	Single  Married filing join	t return	separ	ate return Hear	d of hous	sehold [	Qualifyi	ng widow(er)	
			Single Married filing join	t return	5epar	ate return Head	d of hous	sehold • • [	Qualifyi	ng widow(er)	
			a child but not your deper			<del></del>					
	<del>-</del>		I on the Back to Explain and Deductions (see pag	<del>-</del>	7	A. Original amount or as previously adjusted (see page 2)		B. Net chan amount of inc or (decreas explain in P	rease e) -	C. Correct amount	
	1	Adjusted gross incor	me (see page 3)		1	131,550,4	10	-13093		7 618,923	
	2	Itemized deductions	or standard deduction (see	page 3)	2	9,0			,182		
	3	Subtract line 2 from	line 1		3	131,541,3	13	-13138			
	5	Tayable income Out	ging, fill in Parts I and II on	the back	4						
	6	Tax (see nego 4) M	otract line 4 from line 3	V DAME COT	5	131,541,33		-13138			
_	7	Credits (see nage 4). (VIII	ethod used in col. C <u>TA</u>	X RATE SCH.	6	26,406,04	16 -	-26,231	,835	174,211	
T B	8	Subtract line 7 from I	ine 6. Enter the result but n	ot less than zero	7	26 426 2					
× 1	9	Other taxes (see pag	ge 4)	Ot less than 2010	8	26,406,04	6 -	-26,231	<u>,835</u>	174,211	
	10	Total tax. Add lines 8	and 9		9	26,406,04	-	26 221	025	1.74	
4	ີ 11 .	Federal income tax w	vithheld and excess social	Security and RRTA	1.0	20,400,04	- 0	-26,231	,835	174,211	
	1 1	tax withheld. If chang	ling, see page 5	********	11	57,30	7			57,307	
P	12	Estimated tax payme	nts, including amt applied f	rom prior year's return	12					37,307	
AYMENT	13	Earned income credit	(EIC)		13			***************************************			
Ñ	15	Additional child tax of	edit from Form 8812	•••••	14						
S	16	Oreans from Form 24 Amount naid with roa	39 or Form 4136		15						
	17	Amount of tax neld wi	ith original return plus addit	o file (see page 5) ional tax paid after it was fil				• • • • • • • • • • •	. 16		
	18	Total payments, Add	lines 11 through 17 in colu	ional tax paid after it was fil	ed	• • • • • • • • • • • • • • • • • • • •	• • • • •	• • • • • • • • • •	. 17		
	·			nn Cnd or Amount You Owe			· · · · ·	· · · · · · · · · · · · · · · ·	18	32,381,509	
	19 (	Overpayment, if any,	as shown on original return	or as previously adjusted	hy th	a IDC				500 004	
	<b>20</b> S	Subtract line 19 from	line 18 (see page 5)				• • • • •	• • • • • • • • • • •	. 19		
	21 /	amount you owe. If	line 10, column C, is more	than line 20, enter the differ	ence	and see page 5			21	31,652,413	
	22 11	riine 10, column C, is	less than line 20, enter the	difference	<b>~</b> г	NALLALIN.		ED	22	31,478,202	
	23 A	mount of line 22 you	want refunded to you	A5.	Y.	HOHALLI			23	31,478,202	
		mount of line 22 you	want applied to your	estimated	tax	24					
Sig		and to the best of m	erjury, I declare that I have filed ar y knowledge and belief, this amer	original return and that I have exa ded return is true, correct, and com	mined	this amended return, including	ling acc	ompanying sched	lules and :	statements,	
Her	e stum?	of which the prepare	r has any knowledge.		,p.0.0.	Decidiation of preparer (Cil	ier man	taxpayer) is base	d on all in	formation	
See p	age 2.	_		ı		14					
	a copy fo scords.	Your signature		Date		-					
		Preparer's				Date Spouse's signa	iure. If a	joint return, both	<del></del>		
Paid			TEVEN P. SMIT	Н			Check		1	er's SSN or PTIN	
Prep	arer's	Firm's name (or yours if	COMYNS, SMI		& I	L DEAV	sell-en	nployed []		3-90-7124	
Use	Only	self-employed), address, and			110			EIN	00-0	307221	
· ( ·	<u> </u>	ZIP code	LAFAYETTE,	CA 94549				Phone no.	(925	5) 299-1040	

IF0US48 12/22/00

If you are <b>not ch</b> If claiming <b>more</b>	<b>111008</b> See Form 104						545-13-6755Pag
ir cialming fewer	exemptions, complete exemptions, complete	orm 1040 or 1040A instructions.  xemptions, do not complete this part. omplete lines 25-31. complete lines 25-30.			Original number mptions reported reviously adjusted	B. Ne	C. Correct number of exemptions
Yourself and spous	e		. 25			<del></del>	
Caution, if your par	rents (or someone else)	can claim you as a dependent man exemption for yourself.	. 25	9		1	
Your dependent chi	ildren who lived with you	1	26				1
Your dependent chil	ildren who did not live w	ith you due to divorce/separatio	n 27		······································	<del> </del>	
Other dependents		····	28			ļ	
<ul> <li>Total number of exe</li> <li>Multiply the number</li> </ul>	emptions. Add lines 25 to of exemptions claimed	hrough 28 on line 29 by the amount listed nter the result here and on line	29	-			
Tax year	Exemption amount	But see the instructions line 4 on page 3 if the amount on line 1 is over					
2000 1999 1998 1997	\$2,800 2,750 2,700 2,650	\$96,700 94,975 93,400 90,900	30				
Dependents (childre Note: For tax years column (d) below.	n and other) not claimed after 1997, do not comp	d on original (or adjusted) return olete column (e) below. For tax y	····		complete	1	No. of your children on line 31 who;
(a) First Name I	Last Name		(c) Deper elationship		(d) Check if qualifying child for child tax credit (see page 5)	(e) No. of months lived in your home	● lived with you ▶
						<del></del>	did not live with
							you due to divorce
							or separation (see page 5)
							· · · · · · · · · · · · · · · · · · ·
		1		1			
<b>-</b>							Dependents on line 31
p	ition of Changes	to Income, Deductions,	, and (	Credits			Dependents on line 31 not entered above
Enter the the supportend. It is change relates to a noth the loss or credit occ	line number from the rting forms and sched Be sure to include you net operating loss carryt curred. See page 2 of the STATEMENT I	front of the form for each iter dules for the items changed. Ur name and social security n back or a general business cred	m you a If you d number	on any a	ging and give thach the requirent achments.	or form that	or each change. Attach only on, your Form 1040X may be shows the year in
Enter the the supportended. It is change relates to a note the loss or credit occurred. EE ATTACHED	line number from the rting forms and sched Be sure to include you net operating loss carryt curred. See page 2 of the STATEMENT I	front of the form for each iter dules for the items changed. ur name and social security n	m you a If you d number	on any a	ging and give thach the requirent achments.	or form that	or each change. Attach only on, your Form 1040X may be shows the year in
Enter the the supportended. It is change relates to a note the loss or credit occurred. EE ATTACHED	line number from the rting forms and sched Be sure to include you net operating loss carryt curred. See page 2 of the STATEMENT I	front of the form for each iter dules for the items changed. Ur name and social security n back or a general business cred	m you a If you d number	on any a	ging and give thach the requirent achments.	or form that	or each change. Attach only on, your Form 1040X may be shows the year in
Enter the the supporter the supporter turned. It is considered to a neighbor the loss or credit occidents to the loss or credit occidents.	line number from the rting forms and sched Be sure to include you net operating loss carryt curred. See page 2 of the STATEMENT I	front of the form for each iter- dules for the Items changed.  It name and social security in back or a general business cred the instructions. Also, check here NCORPORATED BY	m you a if you d number dit carryb e THIS	ere chan lo not ati on any a pack, atta	ging and give thach the requirent achments.	or form that	or each change. Attach only on, your Form 1040X may be
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Enter the the supportend. It is change relates to a noth the loss or credit occ	line number from the rting forms and sched Be sure to include you net operating loss carryt curred. See page 2 of the STATEMENT I	front of the form for each iter- dules for the Items changed.  It name and social security in back or a general business cred the instructions. Also, check here NCORPORATED BY	m you a if you d number dit carryb e THIS	ere chan lo not ati on any a pack, atta	ging and give to tach the require attachments. ch the schedule	or form that	or each change. Attach only on, your Form 1040X may be shows the year in
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4:08-cv-03189-SBA	Document 1-5	Filed 07/0
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0 4040	Deb	OMAS J. GONZALES 12/04/0		1					
§ 1040	U.	6. Individual Income Tax Retu	<sub>rn</sub> 2000	/000 HRS Han Oak	<b>5</b> 4.				
	Fo	r the year Jan. 1 - Dec. 31, 2000, or other tax year beginning		(99) IRS Use Only -					
abel 🗆	1	our first name and initial	Last nan				OMB No ocial security	1545-007	4
	.	THOMAS J. GONZALES		~			•		
		a joint return, spouse's first name and initial	Last nan				5 - 13 -		
Use the IRS	A BEL					Spores	s sucial sect	my numbi	BF
Ishat	н	ome address (number and street). If you have a P.O. box, see p	page 19.	Apt.					
please print		134 LAKES BLVD		· <del>•</del> · ·		<b>A</b>	IMPOR		•
or type.	E	ity, town or post office, state, and ZIP code. If you have a foreign	n address, see page 19.				You <b>mu</b> ! :)your SSN		
Presidential		DAYTON, NV 89403					your 3314(:	s) above	Э.
Election Campa	aign 🔪	Note. Checking "Yes" will not change your tax of	r reduce vour refur	d.			You	Spou	
(See page 19.)		Do you, or your spouse if filing a joint return, was	nt \$3 to go to this fu	ind?		▶ 🛮 Ye		☐ Yes [	
<b></b>	1	X Single				<u> </u>	3 (23 140		
Filing Status	3 2	Married filing joint return (even if only or	ne had Income)						
	3	Married filing separate return. Enter spo		above & full name here	•				
Check only	4	Head of household (with qualifying pers	ion). (See page 19.	) If the qualifying person is	a child bu	t not you	r denender	.t	
one box.		enter this child's name here	, , , , , , , , , , , , , , , , , , , ,	, quam,g poison ,o	a 01.1110 DC	t not you	debellael	и,	
<del></del>	5	Qualifying widow(er) with dependent ch	ild (year spouse di	ed ▶ ). (See pa	age 19.)				
Evennellene	6	Jour paront (0, 301180118 6131	e) can claim you as	a dependent on his or her	tev				
Exemptions		return, do not check box 6a	• • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			No. of boxes	<b>i</b>	
		Spouse				, }	checked on 6a and 6b		
	(	Dependents: (2)	Dependent's social	(3) Dependent's	(4) Chk if child for o		No. of your		
		(1) First Name Last name	security number	relationship to you	credit (see		children on 6c who:		
							lived with	you	
If more than six							did not liv		
dependents, see page 20.							you due to d or separation	1	
, •			<del></del>				(see page 20	)) 	
TROW.					ļ		Dependents on 6c not		
			<del></del>		<u> </u>		entered abov	•	
	c	Total number of exemptions claimed					Add numbers entered on	' . —	<del></del> -
	7	Wages, salaries, tips, etc. Attach Form(s) W-2			····	7	ines above	, 545	7
Income	88			******	···	a		, 233	+
	b	Tax-exempt interest. Do not include on line 8s	a	8b	``i   •		720	, 233	╁
Attach	9	Ordinary dividends. Attach Schedule B if require				•	708	509	
Forms W-2 and W-2G here.	10	Taxable refunds, credits, or offsets of state and	local income taxes	(see page 22)	···	0		931	╁
Also attach Form 1099-R If	11	Alimony received			····  -	1	, د	, 931	╀
tax was withheld.	12	Business income or (loss). Attach Schedule C of	or C-EZ		·   -	2			╀
	13	Capital gain or (loss). Attach Schedule D if requ	ired. If not required	. check here ▶ □	1			000	╀
	14	Other gains or (losses). Attach Form 4797			1			000	╁
	15a	Total IRA distributions 15a	1	<b>b</b> Taxable amount (see p					╀
	16 <b>a</b>	Total pensions and annuities 16a		b Taxable amount (see p					├-
f you did not	17	Rental real estate, royalties, partnerships, S cor	porations trusts e	c Attach Schodule E	1		-919,	016	├_
jet s W-2, see page 21.	18	Farm income or (loss). Attach Schedule F				<del></del>	- J _ J ,	010	⊢
inclose, but do not	19	Unemployment compensation			19				H
ittach any payment. Nso, please use	20 <b>a</b>	Social security benefits   20a		<b>b</b> Taxable amount (see p					-
one 1040-V.	21	Other income. SEE STATEMENT 2		- Tanabio amount (388 p)	2.23) 20		- 0.0	270	_
	22	Add the amounts in the far right column for lines	7 through 21. This	is your total income	▶ 22		-99, 618,		
	23	IRA deduction (see page 27)	AS.OR	GINALIVEILE	n "	+	010,	923	_
\djusted	24	Student loan interest deduction (see page 27)		4	<del>-  -  </del> -	·			
iross	25	Medical savings account deduction. Attach Form	8853	5	+				
ncome	26	Moving expenses. Attach Form 3903	2	— <del> </del>	+			1	
-	27	One-half of self-employment tax. Attach Schedul	e SE 2		1				
	28	Self-employed health insurance deduction (see p	page 29) 2		+	.			
n. 2001:	29	Self-employed SEP, SIMPLE, and qualified plans	3 2		+-				
TY 24.	30	Penalty on early withdrawal of savings		<del></del>				ĺ	
-35F		Alimony raid h Recipiont's CCN h						1	
	31a			• !					
·••		Alimony paid. <b>b</b> Recipient's SSN ▶  Add lines 23 through 31a	31		1 (38%)	4		0	

rom 1040 (2		HOMAS J. GONZALES				545	-13-6755 Page
Tax and	34	Amount from line 33 (adjusted gross income) .				34	618,923
Credits	3	a Check if: You were 65 or older, Dlind;	; 🔲 Spouse w	as 65 or older.	☐ Blind.		
		Add the number of boxes checked above and en	nter the total here		▶ 35a		
	7	b if you are married filing separately and your spot	use itemizes deduct	ions, or you were	<u> </u>	7	
AND PARTY OF THE P	L	a dual-status alien, see page 31 and check here	) <i></i>		▶ 35b 🏻		
for Most People	36	Enter your itemized deductions from Schedule	A line 28 or etene	terd deduction	_		
Single:		shown on the left. But see page 31 to find your s any box on line 35a or 35b or if someone can cla	standard deduction in	f you checked		36	461,279
\$4,400	37	Subtract line 36 from line 34	aim you as a depend	dent	• • • • • • • • • • • • • • • • • • • •	37	157,644
Head of household:	38	If line 34 is \$96,700 or less, multiply \$2,800 by th				37	13/,044
\$6,450		IT IN 34 IS OVER \$96.700, see the worksheet on r	nage 32 for the amo	kemptions claime	d on line 6d.		
Married filing jointly or	39	Taxable income. Subtract line 38 from line 37.	page or ioi the diffe	direction and a	• • • • • • • • • • • • • • • • • • • •	38	0
Qualifying widow(er):	40	Tax (see page 32). Check if any tax is from a	7 Form/e) 8914 b	□ Form 4070	******	39	157,644
\$7,350	41	Alternative minimum tax. Attach Form 6251	_ ronn(s) 0014 D	LJ F0/11/49/2		40	44,803
Married	42	Add lines 40 and 41			• • • • • • • • • • • • • • • • • • • •	41	129,408
filing separately	43	Foreign tax credit. Attach Form 1116 if required			· · · · · · · · · · · · · · · · · · ·	42	174,211
\$3,675.	44	Credit for child and donor donor core average A		. 43			
	\ A5	Credit for the aldeduse the disable of the Algebra	π. Form 2441	44			
		Credit for the elderly or the disabled. Attach Sche	adule R	45			
	46	Education credits. Attach Form 8863	• • • • • • • • • • • • • • • • • • • •	. 46			
	47	(000 page 00) 1111111111111111111111111111111111	· • • • • • • • • • • • • • • • • • • •	. 47			
	48	Adoption credit. Attach Form 8839		. 48			
	49		Form 8396				
		c Form 8801 d Form (specify)		49			
	50	Aud mies 43 infough 49. These are your total cre	'edits			50	
	51	Subtract line 50 from line 42. If line 50 is more that	an line 42, enter -0-			51	174,211
her	52	Self-employment tax. Att. Sch. SE				52	
xes	53	Social security and Medicare tax on tip income no	ot reported to emplo	yer. Attach Form	4137	53	
	54	Tax on IRAs, other retirement plans, and MSAs. A	Attach Form 5329 if	required		54	
	55	Advance earned income credit payments from Fo	orm(s) W-2			55	
	56	Household employment taxes. Attach Schedule H	+			56	
	57	Add lines 51 through 56. This is your total tax				57	174,211
ents	58	Federal income tax withheld from Forms W-2 and	1 1099	. 58	57,307	3/	1/4,211
453	7 59	2000 estimated tax payments and amount applied	d from 1999 return	. 59			
u have a fylno	608	Earned Income credit (EIC)		60a			
l, attach edule EIC.		Nontaxable earned income: amt. ▶	1	`` <b>`</b>			
edule EIC.		and type>	No	시			
	61	Excess social security and RRTA tax withheld (se					
	62	Additional child tax credit. Attach Form 8812 .					
	63	Amount paid with request for extension to file		. 62	016 000		
	64	Other payments. Check if from a Form 2439	# (see page 50)	. 63	846,000	gion	
	65	Add lines 58 50 600 and 61 through 64 Thomas	<b>b</b> □ Form 4136 .	. 64			
		Add lines 58, 59, 60a, and 61 through 64. These a	are your total paym	ents		65	903,307
fund	670	If line 65 is more than line 57, subtract line 57 from	n line 65. This is the	amount you ove	paid	66	729,096
it Ily	9/8	Amount of line 66 you want refunded to you	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	· · · · · · · · · · · · · · • [	67a	728,588
sitedI page 50		Pouting purchase	7 <del>-</del>	-			
ill in 67b,	_	Routing number	<b>▶ с</b> Туре: □	Checking 1	VALLY FILE		
and 67d.		Account number	A	A CHIGII	NALLY FILE	IU	
		Amount of line 66 you want applied to your 2001		<b>► 68</b>			
ount	69	If line 57 is more than line 65, subtract line 65 from	1 line 57. This is the	amount you ow			
) Owe		ror details on how to pay, see page 51			····· • ·	69	
				70	508		
n	Under	penalties of perjury, I declare that I have examined this return and	d accompanying schedule	s and statements, and	the state of the s	ge and belief	hey are
e	iide, C	rrect, and complete. Declaration of preparer (other than taxpayer	r) is based on all informati	on of which preparer h	as any knowledge.		
etum?	Yo	er signature	Date	Your occupation		Daytime	phone number
age 19.				CHIEF T	ECHNOLOGY	1 '	941-6014
t copy of	Sp	use's signature. If a joint return, bothboth must sign.	Date	Spouse's occupation		May the I	RS discuss this return
s.	7					with the p	reparer shown below?
69%.	Dress-	. \		Date			ESTIMO LINO
	Prepan signatu			34.4	Check if	1	SSN or PTIN
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<del> </del>	accinos	LAFAYETTE, CA 945			Phone no.	(925)	299-1040

Department of the Treasury amal Revenue Service e(s) shown on tax return

### Underpayment of Estimated Tax by Individuals, Estates, and Trusts

See separate instructions.

Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

2000

06 Sequence No.

### THOMAS J. GONZALES

Identifying number 545-13-6755

Note: In most cases, you do not need to file Form 2210. The IRS will figure any penalty you owe and send you a bill. File Form 2210 only if one or more boxes in Part I apply to you. If you do not need to file Form 2210, you still may use it to figure your penalty. Enter the amount from Part III, line 21, or Part IV,

line 35, on the penalty line of your return, but do not attach Form 2210. Reasons for Filing - If 1a, 1b, or 1c below applies to you, you may be able to lower or eliminate your penalty. But you must check the boxes that apply and file Form 2210 with your tax return. If 1d below applies to you, check that box and file Form 2210 with your tax return. Check whichever boxes apply (if none apply, see the Note above): a 🗌 You request a waiver. In certain circumstances, the IRS will waive all or part of the penalty. See Waiver of Penalty on page 1 of the instructions. You use the annualized income installment method. If your income varied during the year, this method may reduce the amount of one or more required installments. See page 5 of the instructions. You had Federal income tax withheld from wages and, for estimated tax purposes, you treat the withheld tax as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. See the instructions for line 23 on page 3. Your required annual payment (line 14 below) is based on your 1999 tax and you filed or are filing a joint return for either 1999 or 2000 but not for both years. Part II Required Annual Payment Enter your 2000 tax after credits (see page 2 of the instructions). 174,211 2 3 Other taxes (see page 2 of the instructions) 3 Add lines 2 and 3 ..... 4 174,211 Earned income credit ..... 5 Additional child tax credit ..... 6 Credit for Federal tax paid on fuels ..... Add lines 5, 6, and 7 ..... 8 Current year tax. Subtract line 8 from line 4 174,211 9 10 Withholding taxes. Do not include any estimated tax payments on this line (see page 3 of the instructions) 11 <u>57,307</u> Subtract line 11 from line 9. If less than \$1,000, stop here; do not complete or file this form. You do not owe the penalty 116,904 12 Enter the tax shown on your 1999 tax return (108.6% of that amount if the adjusted gross income shown on that return is more than \$150,000, or, if married filing separately for 2000, more than \$75,000). Caution: See page 3 of the instructions 13 65,807 Required annual payment. Enter the smaller of line 10 or line 13..... 14 65,807 Note: If line 11 is equal to or more than line 14, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above. Short Method (Caution: See page 3 of the instructions to find out if you can use the short method. If you checked box 1b or 1c in Part I, skip this part and go to Part IV.) Enter the amount, if any, from line 11 above ..... Enter the total amount, if any, of estimated tax payments you made ..... Add lines 15 and 16 ..... 17 57,307 Total underpayment for year. Subtract line 17 from line 14. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above. 18 8,500 Multiply line 18 by .05976 ..... 19 508 AS ORIGINALLY FILED If the amount on line 18 was paid on or after 4/15/01, enter -0-. If the amount on line 18 was paid before 4/15/01, make the following computation to find the amount to enter on line 20. Amount on Number of days paid line 18 before 4/15/01 .00025 . . . . . . . . 20 21 Penalty. Subtract line 20 from line 19. Enter the result here and on Form 1040, line 70; Form 1040A, line 45;

Form 1040NR, line 69; Form 1040NR-EZ, line 27; or Form 1041, line 26 For Paperwork Reduction Act Notice, see page 1 of separate instructions.

2210 (2000) Form

508

21



SCHEDULE (Form 1040)	S A&	Schedule A – Itemized Deductions		OMB No. 1545-0074
Department of the Tr Internal Revenue Se		(99) Attach to Form 1040. See instructions for Schedules A and B (Form 1040)	1,	2000
Name(s) shown on F		(60) 1 Constitution of Schedules A and B (Form 1040).	s	Sequence No.
MAS	J.	GONZALES		ocial security number
Meuical		Caution. Do not include expenses reimbursed or paid by others.	545-	13-6755
and	1			
Dental	2		$\dashv$ 1	
Expenses	3	Multiply line 2 above by 7.5% (.075)		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	(
Taxes You	5	State and local income taxes	5	
Paid	6	15. ()()	<b>Л</b>	
(See	7	3.50	7	
page A-2.)	•	Other taxes. List type and amount		
		<del></del>		
	9	Add lines 5 through 8		24 24
Interest	10	Home mortgage interest and points reported on Form 1098	9	34,345
You Paid	11		-	
(See page A-3.)		whom you bought the home, see page A-3 & show that person's name, ID no. & address		
page 7-0.y		<b>&gt;</b>		
Note. Personal				
interest is not	12	Points not reported to you on Form 1000 On the Company of Company	1	
deductible.	13	Points not reported to you on Form 1098. See pg. A-3STMT 3 . 12 141	1	
	13	Investment interest. Attach Form 4952, if required. (See page A-3.)		
	14	Add lines 10 through 13	14	1 4 1
Gifts to	15	Gifts by cash or check. If any gift of \$250 or more, see pg. A-4 .ST4 15 11,000	+	141
CY	16	Other than by cash or check. If any gift of \$250 or more, see page A-4	1 1	
If y a a gift and got a		You must attach Form 8283 if over \$500		
benefit for it, see page A-4.	17 18	Carryover from prior year		
Casualty and		Add lines 15 through 17	18	11,000
Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-5.)	19	0
Job Expenses	20	Unreimbursed employee expenses - job travel, union dues, job education	1,5	0
and Most Other Miscellaneous		etc. You must attach Form 2106 or 2106-EZ if required, (See page A-5.)		
Deductions	•	FORM 2106 (TAXPAYER) 442,870		
	21	Tax preparation fees		
	22	Other expenses - investment, safe deposit box, etc. List type and amount		
	•			
See				
age A-5 for xpenses to				
educt here.)	22	Add lines 20 hard 500		
	23 24	Add lines 20 through 22		
	25	Adultinto the Od at a second second		
	26	Subtract line 25 from line 23. If line 25 is more than line 22.		430 400
ther	27	Other - from list on page A-6. List type and amount	26	430,492
liscellaneous				
eductions			305	
· ( \$			27	0
06.50	28	Is Form 1040, line 34, over \$128,950 (over \$64,475 if married filing separately)? REDUCTION		
emized eductions		No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1000 line and		
		for lines 4 through 27. Also, enter this amount on Form 1040, line 36.	28	461,279
		Yes. Your deduction may be limited. See page A-6 for the amount to enter.		

9chedules A&B (Form 1040) 2000 OMB No. 1545-0074 Page 2 Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side. Your social security number THOMAS J. GONZALES 545-13-6755 Schedule B - Interest and Ordinary Dividends Attachment 08 Note. If you had over \$400 in taxable interest, you must also complete Part III. Interest **Amount** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property (See page B-1 and the as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address > instructions for MT DIABLO NAT'L BANK Form 1040, 295 line 8a.) WELLS FARGO 12 ML 544 593 ML 7,159 BLACKSTONE REALTY INVESTORS, LLC Note. If you received a Form 1099-INT, Form 1099-OID, or 30 SHAMWARI MOTOR YACHT LTD 3,571 NEW WORLD, LLC 9,033 1 THOMAS J. GONZALES INVESTMENT substitute 106,589 statement from a brokerage firm. name as the payer and enter the total interest shown on that torm. Add the amounts on line 1. 720,233 2 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You must attach Form 8815..... Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a 720,233 Note. If you had over \$400 in ordinary dividends, you must also complete Part III. Part II Ordinary Dids (See page B-1 **Amount** List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the Instructions for Form 1040, line 13. ▶\_\_\_\_\_ and the instructions for MERRILL LYNCH 698,607 MERRILL LYNCH Form 1040. 991 EP ESTATES 227 BLACKSTONE REALTY INVESTORS, LLC SHAMWARI HELIO, LLC 161 409 MACH ONE AVIATION, LLC 002 Note. If you CLIFFSIDE ENTERTAINMENT, received a Form 6,112 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer the ordinary dvidends shown on that form.

Part III Foreign Accounts and Trusts

(See

You must complete this part if you (a) had over \$400 of interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust. 7a At any time during 2000, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing

X

Yes

708,509

No

X

b If "Yes," enter the name of foreign country page B-2.) During 2000, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

KFA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

If "Yes," you may have to file Form 3520. See page B-2

Add the amounts on line 5. Enter the total here and on Form 1040, line 9

 $\blacktriangleright$ 

requirements for Form TD F 90-22.1

SCHEDULE D (Form 1040)

Capital Gains and Losses

OMB No. 1545-0074 2000

Department of the Treasury Internal Revenue Service

► Attach to Form 1040.

► See Instructions for Schedule D (Form 1040).

Attachment

Sequence No.

12

shown on Form 1040

Use Schedule D-1 for more space to list transactions for lines 1 and 8.

Your social security number

MAS J. GONZ					545-13	-6755
		s and I need	e - Accoto Hold O-	. V	1242.12	
1 (a) Description of property	(b) Date acquired	(c) Date sold	8 - Assets Held On	(e) Cost or	(f) Gain or (loss)	
(Example, 100 sh. XYZ Co.)	(Mo., day, yr.)	(Mo., day, yr.)	(see page D-6)	other basis (see page D-6)	Subtract (e) from (d)	
SEE ATTACHED S	TATEMENT					†
· · · · · · · · · · · · · · · · · · ·	VARIOUS	VARIOUS	3 231,808,133	233,401,142	-1,593,009	d Asia Seic
BLACKVEST	VARIOUS	TAD TOTTO	220 500 000			
	VARIOUS	VARIOUS	230,798,000	372,800,000	142,002,000	
						_
2 Enter your short-term total	als, if any, from					+
Schedule D-1, line 2		2				
3 Total short-term sales	price amounts.					J
Add column (d) of lines 1			462,606,133			
4 Short-term gain from Fort	m 6252 and short-te	rm gain or (loss)	from			]
Forms 4684, 6781, and 8	824					]
5 Net short-term gain or (lo	ss) from pertnerebin	e Corporations	cototos and tour t			
8 Short-term capital loss so	ss/ non parties in	s, s corporations	, estates, and trusts from	Schedule(s) K-1 5		
8 Short-term capital loss ca 1999 Capital Loss Carryo	rryover. Enter the a ver Worksheet	mount, if any, froi	n line 8 of your			
•				6	( )	
Net short-term capital o	ain or (loss). Com	bine column (f) of	lines 1 through 6		143505000	
			mies i unough g			Professional State State State of the Professional
Part II Long-Term	Capital Gains	and Losses	- Assets Held Mor	e Than One Year	-143595009	
Pescription of property	(b) Date acquired	(c) Date sold	- Assets Held Mor	e Than One Year	(f) Gain or (loss)	(g) 28% rate gain
Description of property hple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	and Losses	- Assets Held Mor	e Than One Year		(g) 28% rate gain or ((trans) * (see instr. below)
Description of property hple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)  CATEMENT	(c) Date sold (Mo., day, yr.)	- Assets Held Mor (d) Sales price (see page D-8)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	or ((base))
Description of property pple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold	- Assets Held Mor (d) Sales price (see page D-8)	e Than One Year  (e) Cost or other basis	(f) Gain or (loss)	or ((brand)
Description of property pple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)  CATEMENT	(c) Date sold (Mo., day, yr.)	- Assets Held Mor (d) Sales price (see page D-8)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	or ((base))
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Description of property pple, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)  CATEMENT	(c) Date sold (Mo., day, yr.)	- Assets Held Mor (d) Sales price (see page D-8)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	or ((base))
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Pescription of property hole, 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)  CATEMENT	(c) Date sold (Mo., day, yr.)	- Assets Held Mor (d) Sales price (see page D-8)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	or ((brand))
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escription of property ple, 100 sh. XYZ Cc.)  EE ATTACHED ST  Enter your long-term totals Schedule D-1, line 9	(b) Date acquired (Mo., day, yr.)  TATEMENT VARIOUS  s, if any, from	(c) Date sold (Mo., day, yr.)	- Assets Held Mor (d) Sales price (see page D-8)	(e) Cost or other basis (see page D-6)	(f) Gain or (loss) Subtract (e) from (d)	or ((treet)
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Enter your long-term totals Schedule D-1, line 9  Total long-term sales pr Add column (d) of lines 8 a Gain from Form 4797, Part and long-term gain or (loss) Net long-term gain or (loss) Capital gain distributions. S	capital Gains  (b) Date acquired (Mo., day, yr.)  PATEMENT VARIOUS  s, if any, from cice amounts. and 9  t I; long-term gain from from Forms 4684, from partnerships, see page D-1 evover, Enter in both	was and Losses (c) Date sold (Mo., day, yr.)  VARIOUS  VARIOUS  10  m Forms 2439 a 6781, and 8824  S corporations, c	- Assets Held Mor  (d) Sales price (see page D-8)  137,601,269  137,601,269  and 6252;	(e) Cost or other basis (see page D-6)  5,079,773  AS ORIC  11  hedule(s) K-1 . 12	(f) Gain or (loss) Subtract (e) from (d)  132,521,496	or ((treet) * (see instr. below)
Enter your long-term totals Schedule D-1, line 9  Total long-term sales pr Add column (d) of lines 8 a Gain from Form 4797, Parl and long-term gain or (loss).  Net long-term gain or (loss).  Capital gain distributions. S Long-term capital loss carm if any, from line 13 of your file.	capital Gains  (b) Date acquired (Mo., day, yr.)  CATEMENT VARIOUS  s, if any, from cice amounts. and 9  st; long-term gain from from Forms 4684,  from partnerships, see page D-1  yover. Enter in both	end Losses (c) Date sold (Mo., day, yr.)  VARIOUS  VARIOUS  10  om Forms 2439 a 6781, and 8824  S corporations, e columns (f) and (arryover Workship	- Assets Held Mor  (d) Sales price (see page D-8)  137,601,269  137,601,269  and 6252;  states, and trusts from Scales (g) the amount, eet	## Than One Year  (e) Cost or other basis (see page D-6)  5,079,773   ## AS ORIC  11  hedule(s) K-1 12  13	(f) Gain or (loss) Subtract (e) from (d)  132,521,496	or ((treet) * (see instr. below)
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For Paperwork Reduction Act Notice, see Form 1040 instructions.

stock (see page D-4).

Ś	chedule D (Form 1040) 2000 THOMAS J. GONZALES		E4E 12 C7EE
-	Part III Summary of Parts I and II		545-13-6755 Page 2
1	7 Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line	13	17 -11,073,513
	complete Form 1040 through line 39. Then, go to Part IV to figure your tax if:	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	[1/-11,0/3,513
	Both lines 16 and 17 are gains and		
	• Form 1040, line 39, is more than zero.		
	Otherwise, stop here.		
18	If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the smaller of these li	osses:	
	The loss on line 17 or		
	• (\$3,000) or, if married filing separately, (\$1,500)		18 ( 3,000)
	Next: Skip Part IV below. Instead, complete Form 1040 through line 37. Then, complete Capital Loss Carryover Worksheet on page D-6 if:	the	
	<ul> <li>The loss on line 17 exceeds the loss on line 18 or</li> <li>Form 1040, line 37, is a loss.</li> </ul>		
	Part IV Tax Computation Using Maximum Capital Gains Rates		
-	Enter your taxable income from Form 1040, line 39		
20			19
21	If you are filing Form 4952, enter the amount from Form 4952, line 4e		
22	Subtract line 21 from line 20. If zero or less, enter -0-		
23	Combine lines 7 and 15. If zero or less, enter -0-		
	Enter the smaller of line 15 or line 23, but not less than zero		<del> </del>
	Enter your unrecaptured section 1250 gain, if any, from line 17 of the worksheet on page D		<del></del>
26	3 Add lines 24 and 25	26	<del></del>
27	Subtract line 26 from line 22. If zero or less, enter -0-		27
28			
29	Enter the smaller of:		
	The amount on line 19 or		
	<ul> <li>\$26,250 if single; \$43,850 if married filing jointly or qualifying widow(er);</li> <li>\$21,925 if married filing separately; or \$35,150 if head of household</li> </ul>		29
_(	AND AND AND AND AND AND AND AND AND AND		
30	r the smaller of line 28 or line 29	30	
31	Subtract line 22 from line 19. If zero or less, enter -0-		
	Enter the larger of line 30 or line 31		
JJ	Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whiche Note: If the amounts on lines 29 and 30 are the same, skip lines 34 through 37 and go to lines.		33
34	Enter the amount from line 29	1 1	
	Enter the amount from line 30		<del> </del>  %
	Subtract line 35 from line 34	<del></del>	
	Multiply line 36 by 10% (.10)		
	Note: If the amounts on lines 19 and 29 are the same, skip lines 38 through 51 and go to lines	no 52	.   37
38	Enter the smaller of line 19 or line 27		
39	Enter the amount from line 36		VELED
40	Subtract line 39 from line 38.	40	
	Multiply line 40 by 20% (.20)		41
	Note: If line 26 is zero or blank, skip lines 42 through 51 and go to line 52.		
42	Enter the smaller of line 22 or line 25	42	
43	Add lines 22 and 32		
	Enter the amount from line 19		
	Subtract line 44 from line 43. If zero or less, enter -0-		28 3
	Subtract line 45 from line 42. If zero or less, enter -0-		
47	Multiply line 46 by 25% (.25)		47
	Note: If line 24 is zero or blank, skip lines 48 through 51 and go to line 52.		9-4: E
48	Enter the amount from line 19	48	&_
	Add lines 32, 36, 40, and 46		
50	Subtract line 49 from line 48		
51	poly line 50 by 28% (.28)		51
52 \	ines 33, 37, 41, 47, and 51		52

53 Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies

54 Tax on all taxable income (including capital gains). Enter the smaller of line 52 or line 53 here and on Form 1040, line 40 . . . .

S	hedule	E (Form 1040) 2000	ial security number if shown on other sig			Attachmer	nt Sequence N	√o. <b>13</b>		Page 2
		S J. GONZALES	ran security number it shown on other sid	30.				i	security numbe	-
			or fishing on Schedule E, you	must enter ve	us cross lesses			545-1	3-675	5
	·	TOTO TE DOIOT	<b>*</b> •							
tz.	?art	Income or Loss Fro column (e) or (f) on line 2	m Partnerships and S 7 to describe your investment i	Corporation the activity.	<b>Ons</b> If you rep . See page E-5. I	ort a loss from	an at-risk ac lumn (f), you	tivity, you <b>mu</b> must attach i	st check ei Form 6198.	ther
27		(a)	Name		(b) Enter IP for partnership; S for S corp.	(c) Check if foreign partnership	(d) E	mployer on number	Invest. A	
A	SEE	STATEMENT 5								atrisk
BC	-									
<u>C</u>										
E							<del>""                                   </del>			<del> </del>
		Passive income an	d Loss		N	onpassive in	come and Lo	95		L
	(at	(g) Passive loss allowed tach RoundS882 if required)	(h) Passive income from Schedule K-1	(i) Nonpassi	ve loss from	(j) Section	n 179	(k) Nonpas	sive income fro	
A	Ī		SCHOOL R-1	Schedu	#0 K-1	from Form		Sch	edule K-1	
B										
<u>C</u>	<u> </u>									-
D E										
28	Totals	3	9,036							
ŧ	Totals	9,036	3,030	919	9,016					
29		olumns (h) and (k) of line 28a	• • • • • • • • • • • • • • • • • • • •					29	9,03	36
30		olumns (g), (i), and (j) of line 28	b					30 (	928,05	
31	Total	partnership and S corporation in the result here and include in the	ncome or (loss). Combine lines							
F	art III	Income or Loss From	n Estates and Trusts					31 -	919,01	.6
32			(a) Name					(h) F1-		
	<u> </u>							(b) Empic	yer ID number	
C C			······································							
Ď	**********			***************************************				7/12/4/1		
		Passive Inco	ome and Loss			Nonpass	ive income a	and Loge		
	(c) Pas (atta	sive deduction or loss allowed ach Ficam 95822 if required)	(d) Passive income from Schedule K-1			luction or loss from		(f) Other	income from	
A								Sche	dule K-1	
3										
:										
)  3a	Totals									
b	Totals				- 4			a is the second	and of the same	A 201 13
4		olumns (d) and (f) of line 33a		• • • • • • • • • • • • •	AS	ORIGIN	ALLY	14	<u>.64000 (2019):</u>	<u> </u>
		lumns (c) and (e) of line 33b .					}	35 (		<del></del>
6	Total e	state and trust income or (loss). ne result here and include in the	Combine lines 34 and 35.				Γ			
Pí	ırt IV	Income or Loss From	Real Estate Mortgage	Investme	ent Conduite	(DEMICa)	3	96   		
7			(b) Employer	(c) Excesi	s inclusion from					
		(a) Name	identification number	Schedul (586	les Q, line 2c page E-6)		come (net loss) tesCD, line 1b		Income from Jes Q, line 3b	
_	Combi-	an only man (A) at the last					3 1			
p,	irt V	e columns (d) and (e) only. Ent	er the result here and include in	the total on I	line 40 below		3	8		
			orm 4835. Also, complete line	41 helow	***					<del></del>
)	Total in	come or (loss). Combine lines 2 e result here and on Form 1040	26, 31, 36, 38, and 39	, .	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	3			+
Alm.				· · · · · · · · · · · · · · · · · · ·			▶ 4	<b>o</b> j -9	19,016	>
2"	income:	reported on Form 4835, line 7; ;	ng Income: Enter your gross f Schedule K-1 (Form 1065), line le K-1 (Form 1041), line 14 (see	15h: Schedu	le					
					41	·				
	og. ⊑-4),	, enter net income or (loss) you	ssionals. If you were real estate reported anywhere on Form 10 ially participated under passive	140 from all re	antei I					

At-Risk Limitations 6198 OMB No. 1545-0712 2000 ➤ Attach to your tax return. nartment of the Treasury Attachment See separate instructions. 31 al Revenue Service Identifying number THOMAS J. GONZALES 545-13-6755 Description of activity (See page 2 of the instructions) THOMAS J. GONZALES INVESTMENT CORP Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts. (See instructions.) Enter losses in parentheses Ordinary income (loss) from the activity. See page 2 of the instructions 721 Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you initially report on: Schedule D ..... 28 Form 4797 ..... ь 2b C Other form or schedule 2c Other income or gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c ..... 114,904 3 Other deductions or losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 3 4 Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form ............ 115,625 Part II Simplified Computation of Amount At Risk (See page 3 of the instructions to find out if you may use this part.) Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero ..... 0 6 Increases for the tax year. See page 4 of the instructions ...... 7 Add lines 6 and 7 ..... 0 8 Decreases for the tax year. See page 4 of the instructions 9 0 b If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see **Pub. 925** for information on the recapture rules 0 10b Note: You may want to complete Part III to see if it gives you a larger amount at risk. Part III **Detailed Computation of Amount At Risk** (If you completed Part III of Form 6198 for 1999, see page 4 of the instructions.) Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero ....... 11 Increases at effective date ..... 12 12 13 Add lines 11 and 12 ..... 13 Decreases at effective date..... 14 14 Amount at risk (check box that applies): 15 At effective date. Subtract line 14 from line 13. Do not enter less than zero. 15 From 1999 Form 6198, line 19b. (Do not enter the amount from line 10b of the 1999 form.) Increases since (check box that applies): 16 Effective date Add lines 15 and 16 ..... 17 Decreases since (check box that applies): ☐ Effective date **b** ☐ The end of your 1999 tax year ..... 18 Subtract line 18 from line 17 ..... 19a If line 19a is more than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see Pub. 925 for information on the recapture rules 19b Part IV Deductible Loss

For Paperwork Reduction Act Notice, see page 8 of the instructions.

21

Deductible loss. If line 20 is zero, enter -0-; you do not have a deductible loss this year.

Otherwise, enter the smaller of the line 5 loss (treated as a positive number) or line 20. See page 8 of the instructions to find out how to report any deductible loss and any carryover

report only that part on Form 8582 or Form 8810, whichever applies.

Form 6198 (2000)

0

20

Note: If the loss is from a passive activity, see Form 8582, Passive Activity Loss Limitations, or Form 8810, Corporate Passive Activity Loss and Credit Limitations, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules,

Alternative Minimum Tax - Individuals

OMB No. 1545-0227 2000

➤ See separate instructions.

	emal Revenue Service	▶ Atlach to Form 1040 or Form 1040NR.	Attachment Sequence No. 32	
4200	as) shown on Form 1040	Yoursc	ocial security number	
	MAS J. GONZ		5-13-6755	
		nts and Preferences		
	If you itemized deduction from Form 1040, line 36	ns on Schedule A (Form 1040), go to line 2. Otherwise, enter your standard deduction, here and go to line 6		
2	viedicai and dentai. Enti	or the smaller of Schedule A (Form 1040), line 4 or 2 1/2% of Form 1040, line 34		
;	Taxes. Enter the amoun	t from Schedule A (Form 1040), line 9	34,345	
4	Certain interest on a hor	ne mortgage <b>not</b> used to buy, build, or improve your home 4	+ 31,343	
5	Miscellaneous itemized	deductions. Enter the amount from Schedule A (Form 1040), line 26	430,492	
•	Hefund of taxes. Enter a	ny tax refund from Form 1040, line 10 or line 21	( 3,931	<del></del>
7	Investment interest. Ent	er difference between regular tax and AMT deduction	1, 3, 331	
8	Post-1986 depreciation.	Enter difference between regular tax and AMT depreciation	30,831	
8	Adjusted gain or loss. E	nter difference between AMT and regular tax gain or loss	+ 30,831	
10	Incentive stock options.	Enter excess of AMT income over regular tax income	+	
11	Passive activities. Enter	difference between AMT and regular tax income or loss		
12	Beneficiaries of estates	and trusts. Enter the amount from Schedule K-1 (Form 1041), line 9		
13	I ax-exempt interest from	1 private activity bonds issued after 8/7/86	+	
14	Other. Enter the amount	if any, for each item below and enter the total on line 14.	+	
	<ul> <li>a Circulation expenditure</li> </ul>	es . h Loss limitations		
	<b>b</b> Depletion	I Mining costs		
	c Depreciation (pre-198	7) . J Patron's adjustment		
	d installment sales	k Pollution control facilities .		
	<ul> <li>Intangible drilling cost</li> </ul>	1 1 1000aton a experimental.		
	f Large partnerships			
	g Long-term contracts	n Tax shefter farm activities.		
		o Related adjustments	1	
Ĉ	Total Adjustments and	Preferences. Combine lines 1 through 14	491,737	
	Alternative	Minimum Taxable Income	<u> </u>	
16	Enter the amount from Fo	orm 1040, line 37. If less than zero, enter as a (loss)	157,644	
		tion, if any, from Form 1040, line 21. Enter as a positive amount		
18	If Form 1040, line 34, is a enter the amount, if any.	ver \$128,950 (over \$64,475 if married filing separately), and you itemized deductions, from line 9 of the worksheet for Schedule A (Form 1040), line 28	14 600	
19	Combine lines 15 through	18	( 14,699	/
20	Alternative tax net operat	Ind lose deduction. See page 6 of the instructions	634,682	
21	Alternative Minimum Ta	exable Income. Subtract line 20 from line 19 (If married filling separately and line 24		
	is more than \$165,000, se	ee page 7 of the instructions.)	634,682	
	artiii Exemption	Amount and Alternative Minimum Tax		
22	exemption Amount. (if t	nis form is for a child under age 14, see page 7 of the instructions.)  AND line 21 is  THEN ENTER  ORIGINALLY		
	IF your filing status is:	AND line 21 is THEN enter	B Rep E-m i e-	
		not over on line 22 网络说的		
	Married filing jointly or aug	old		
	Married filling consents to	Jiffying widow(er)     150,000     45,000     }        75,000     22,500		
	If line 21 is over the emo-	75,000		
13	Subtract line 22 from line	nt shown above for your filing status, see page 7 of the instructions.		
	COUNTRY 22 HOM WIE	21. If zero or less, enter -0- here and on lines 26 and 28 and stop here	634,682	
	(as refigured for the AMT, or less (\$87,500 or less if	idistributions directly on Form 1040, line 13, or you completed Schedule D (Form 1040) se 25 or line 27 (or would have had an amount on either line if you had completed Part IV) if necessary), go to Part IV of Form 6251 to figure line 24. All others: If line 23 is \$175,000 married filing separately), multiply line 23 by 26% (.26). Otherwise, multiply ubtract \$3,500 (\$1,750 if married filing separately) from the result	174 211	
5	Alternative minimum tax fo	reign tax credit. See page 7 of the instructions.	174,211	
6	Tentative minimum tax. Su	htract line 25 from line 24	174,211	_
	inter your tax from Form 1	040, line 40 (minus any tax from Form 4972 and any foreign tax gradit	1/4,211	—
<u>ا</u> د	om Form 1040, line 43).	27	44,803	

28 Alternative Minimum Tax. Subtract line 27 from line 26. If zero or less, enter -0-.

129,408

Case 4:08-cv-03189

2106

THOMAS J. GONZALES

# **Employee Business Expenses**

See separate instructions.

OMB No. 1545-0139 2000

Attachment Sequence No. 54

Attach to Form 1040.

Occupation in which you incurred expenses

CHIEF TECHNOLOGY OF 545-13-6755

Social security number

Part I

### **Employee Business Expenses and Reimbursements**

Step 1 Enter Your Expenses		Column A Other Than Meals and Entertainment		Column B Meals and Entertainment		
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions)	1					
Parking fees, tolls, and transportation, including train, bus, etc., that     did not involve overnight travel or commuting to and from work	2					
Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3					
Business expenses not included on lines 1 through 3.     Do not include meals and entertainment	4	541,588				
5 Meals and entertainment expenses (see instructions)	5		_			
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	541,588				

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 8 on line 8.

### Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

reimbursements received from your employer that were <b>not</b> reported to you in of Form W-2. Include any reimbursements reported under code "L" in box 13			
of your Form W-2 (see instructions)	7	98,718	

#### Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8 Subtract line 7 from line 6. If zero or less, enter -0 However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7	8	442,870				0	
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.		AS ORIG	MIE	<b>LLLY</b>	FILED		
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses by 60% (.60) instead of 50%. For details, see instructions.)	9	442,870					
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total of the 20. (Fee-basis state or local government officials, qualified performing artists, and individue instructions for special rules on where to enter the total.)	n Sch duals	edule A (Form 1040), with disabilities: See	•	10	442,	870	

For Paperwork Reduction Act Notice, see instructions.

Form 2106 (2000)



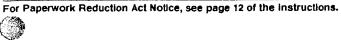
11

9,036

9,036

Form **8582** (2000)

om	8582 Passive Activity Loss Limitations					OMB No. 1545-1008		
						2000		
	See separate instructions.					Attachment		
al	all Revenue Service Attach to Form 1040 or Form 1041.					Sequence No. 90		
re(s	i) shown on return					Identifying number		
THO	MAS J. GOI					545-13-675		
Pa		assive Activity Loss See the instructions for Worksheets 1 and 2 on page 8 before comp	leting F	Part I.				
Rer	ntal Real Estate Ac ticipation in a Ren	tivities With Active Participation (For the definition of active particital Real Estate Activity on page 4 of the instructions.)	pation	see Active				
1a	Activities with net	income (enter the amount from Worksheet 1, column (a))	1a					
b	Activities with net	loss (enter the amount from Worksheet 1, column (b))	1b	(				
c	Prior year unallow	ed losses (enter the amount from Worksheet 1, column (c))	10	)				
d	Combine lines 1a,	1b, and 1c			1d			
All	Other Passive Act							
2 <b>a</b>	Activities with net	income (enter the amount from Worksheet 2, column (a))	2 <b>a</b>	9,036				
b	Activities with net	loss (enter the amount from Worksheet 2, column (b))	2b	( 1,433,348)				
С	Prior year unallow	ed losses (enter the amount from Worksheet 2, column (c))	2c	()				
d	Combine lines 2s	2b, and 2c			2d	-1,424,312		
3	unallowed losses	and 2d. If the result is net income or zero, all losses are allowed, incl entered on line 1c or 2c. <b>Do not</b> complete Form 8582. Report the los	uding a ses on	any prior year i the forms and		<u> </u>		
	schedules normal	ly used. 1d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to l	ine 10		3	-1,424,312		
Pa	rt II Specia	al Allowance for Rental Real Estate With Active Panter all numbers in Part II as positive amounts. See page 8 for example	articip	oation				
	Note: If	your filing status is married filing separately and you lived with your see year, <b>do not</b> complete Part II. Instead, enter -0- on line 9 and go to	pouse	at any time 0.				
4	Enter the smaller	of the loss on line 1d or the loss on line 3			4			
5	Enter \$150,000. If	married filing separately, see page 8	5					
6	Enter modified ad (see page 8)	usted gross income, but not less than zero	6		- A 0 1	venen		
	Note: If line 6 is g line 9, and go to li	reater than or equal to line 5, skip lines 7 and 8, enter -0- on ne 10. Otherwise, go to line 7.		AS ORIGIN	pall 1	T FILEY		
7	Subtract line 6 from	m line 5	7					
8	Multiply line 7 by 5	50% (.5). <b>Do not</b> enter more than \$25,000. If married filing separately	, see p	page 9	8			
9	Enter the <b>smaller</b>	of line 4 or line 8			9			
Pai	rt III Total L	osses Allowed						
, u.	<u>,</u> ,				T			



10

11

Add the income, if any, on lines 1a and 2a and enter the total .....

find out how to report the losses on your tax return

Total losses allowed from all passive activities for 2000. Add lines 9 and 10. See page 11 to

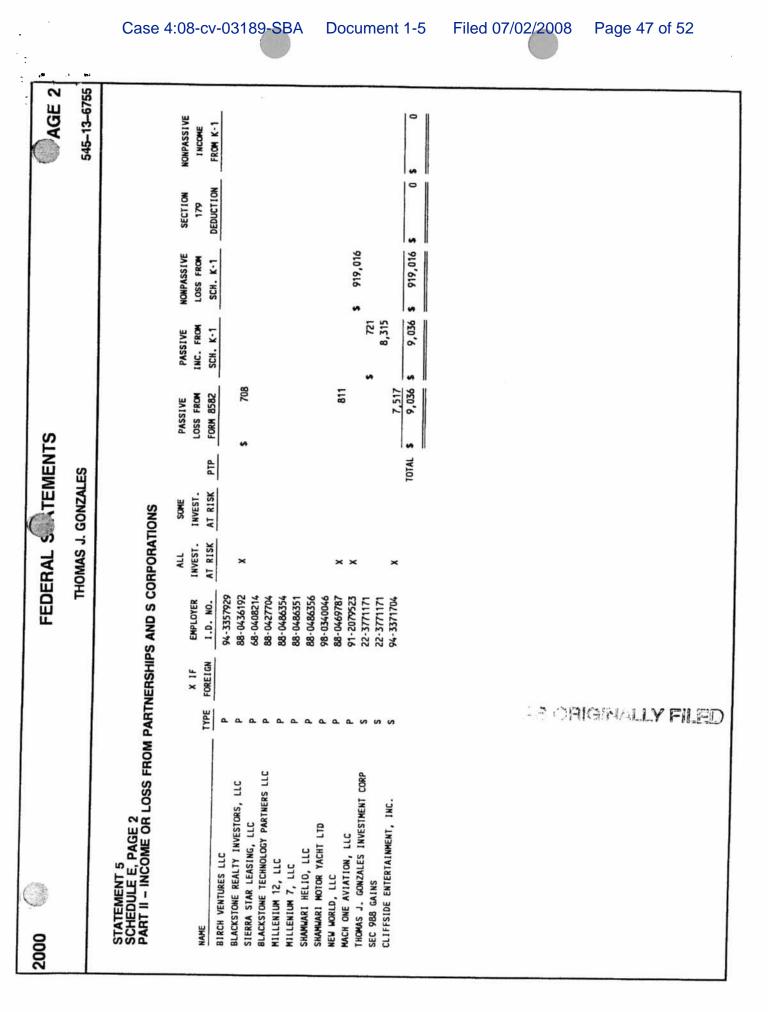
Document 1-5 Filed 07/02/2008

8582

ALTERNATIVE MINIMUM TAX Passive Activity Loss Limitations

Form	8582	Passive Activity Loss L	.imil	tations		OMB No. 1545-1008
		Con agreement in the state of the				2000
	tment of the Treasury at Revenue Service	➤ See separate instruction ➤ Attach to Form 1040 or Form				Attachment 00
- PHE	(s) shown on return	Attach to Form 1040 Or Port	11 1041.	•		Sequence No. OG
	DMAS J. GON					545-13-6755
P	art 1 2000 P	assive Activity Loss				1 313 13 073
		See the instructions for Worksheets 1 and 2 on page 8 before com				
Pa	ntai Heai Estate Act rticipation in a Rent	ivities With Active Participation (For the definition of active part al Real Estate Activity on page 4 of the instructions.)	cipation	n see Active		
1a	Activities with net in	ncome (enter the amount from Worksheet 1, column (a))	1a		4	
b	Activities with net k	oss (enter the amount from Worksheet 1, column (b))	1b	<u> </u>	Ŋ	
c	Prior year unallowe	d losses (enter the amount from Worksheet 1, column (c))	. 1c	<u> </u>	)	T
d	Combine lines 1a,	tb, and 1c			1d	
All	Other Passive Activ					
2 <b>a</b>	Activities with net in	come (enter the amount from Worksheet 2, column (a))	28	9,186		
b	Activities with net lo	pss (enter the amount from Worksheet 2, column (b))	2b	( 1,417,961	Ŋ	
С	Prior year unallowe	d losses (enter the amount from Worksheet 2, column (c))	2c	(	)	<del>-</del>
đ	Combine lines 2a, 2	b, and 2c			2d	-1,408,775
3	unallowed losses er schedules normally	and 2d. If the result is net income or zero, all losses are allowed, incontered on line 1c or 2c. <b>Do not</b> complete Form 8582. Report the losused.	ses on	the forms and		
Pa	rt II Special	d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to  Allowance for Rental Real Estate With Active Per all numbers in Part II as positive amounts. See page 8 for example 1.	articir	pation	3	-1,408,775
	Note: If yo	our filing status is married filing separately and you lived with your syear, do not complete Part II. Instead, enter -0- on line 9 and go to	DOUSE	at any time	Ţ	
4		the loss on line 1d or the loss on line 3			4	
					1000	
5		parried filing separately, see page 8	5			
6	Enter modified adjust (see page 8)	sted gross income, but not less than zero	_			
		ater than or equal to line 5, skip lines 7 and 8, enter -0- on	6			. ≠ p=01 :33.25
	line 9, and go to line	10. Otherwise, go to line 7.		<u>&gt;s ChiGin/</u>	ALL'	Y FILED
7	Subtract line 6 from	line 5	7			T
8	Multiply line 7 by 50%	% (.5). <b>Do not</b> enter more than \$25,000. If married filing separately	, ѕөө ра	age 9	8	
9	Enter the smaller of	line 4 or line 8			9	
Par		sses Allowed				
0	Add the income, if an	ry, on lines 1a and 2a and enter the total			10	9,186
1	Total losses allowe	d from all passive activities for 2000. Add lines 9 and 10. See n	ane 11	to	"	7,100
	find out how to report	the losses on your tax return  Act Notice, see page 12 of the instructions.			11	9,186 Form <b>8582</b> (2000)
ia.						

2000	FEDERAL S	STATEMENT	s	PAGE 1
	THOMAS	J. GONZALES		545-13-675
STATEMENT 1 FORM 1040 WAGE SCHEDULE				
TAXPAYER - EMPLO	YER WAGES	FEDERAL W/H	MEDI- FICA CARE	STATE W/HSDI
COMMERCE ONE INC GRANI	207,545 207,545	57,307 57,307		15,613 232 15,613 232
STATEMENT 2 FORM 1040, LINE 21 OTHER INCOME		,,,,,,		**************************************
GROSS INCOME ADJ SCH E ADJ	TGIC		TOTAL	. 721
STATEMENT 3 SCHEDULE A, LINE 12 DEDUCTIBLE POINTS		(0)		
AMORTIZATION			TOTAL	\$ 141 \$ 141
STATEMENT 4 SCHEDULE A, LINE 15 CONTRIBUTIONS BY CASH	OR CHECK			
VARIOUS CHARITABLE CONTRIB		• • • • • • • • • • • • • • • • • • • •	TOTAL	10,000
			S ORIGINAL	LY FILED



#### 2000 FORM 8582 WORKSHEETS PAGE 1 THOMAS J. GONZALES 545-13-6755 WORKSHEET 2 FOR LINES 2A, 2B, AND 2C CURR. YR. CURR. YR. PRIOR YR. NET INCOME NET LOSS UNALLOWED OVERALL OVERALL NAME OF ACTIVITY LINE 2A LINE 2B LOSS 2C GAIN LOSS BLACKSTONE REALTY INVESTO \$ 112,319 \$ 112,319 NEW WORLD, LLC 128,577 128,577 THOMAS J. GONZALES INVEST \$ 9,036 9,036 CLIFFSIDE ENTERTAINMENT, 1,192,452 1,192,452 9,036 \$ 1433348 \$ 9,036 \$ 1433348 0 \$ WORKSHEET 4 - ALLOCATION OF UNALLOWED LOSSES FORM OR SCH TO UNALLOWED NAME OF ACTIVITY BE REPORTED ON LOSS RATIO LOSS BLACKSTONE REALTY INVESTO SCHEDULE E P2 \$ 112,319 0.0784 \$ 111,611 NEW WORLD, LLC SCHEDULE E P2 128,577 0.0897 127,766 CLIFFSIDE ENTERTAINMENT, SCHEDULE E P2 1,192,452 0.8319 1,184,935 \$ 1433348 1.0000 \$ 1424312

### WORKSHEET 5 - ALLOWED LOSSES

NAME OF ACTIVITY	FORM OR S			UNALLOWED LOSS	ALLOWED LOSS
OI THEOTON MANNES	SCHEDULE SCHEDULE SCHEDULE	E P2	128,577 1,192,452	\$ 111,611 127,766 1,184,935 \$ 1424312	811 7,517

AS ORIGINALLY FILED

#### 2000 FORM 8582 WORKSHEETS - ALTERNATIVE MINIMUM TAX PAGE 1 THOMAS J. GONZALES 545-13-6755 WORKSHEET 2 FOR LINES 2A, 2B, AND 2C CURR. YR. CURR. YR. PRIOR YR. NET INCOME NET LOSS UNALLOWED OVERALL OVERALL NAME OF ACTIVITY LINE 2A LINE 2B LOSS 2C GAIN LOSS BLACKSTONE REALTY INVESTO \$ 112,097 \$ 112,097 BLACKSTONE TECHNOLOGY PAR \$ 13 \$ 13 MILLENIUM 12, LLC 137 137 NEW WORLD, LLC 128,577 128,577 THOMAS J. GONZALES INVEST 9,036 9,036 CLIFFSIDE ENTERTAINMENT, ,177,287 ,177,287 9,186 \$ 1417961 \$ 0 \$ 9,186 \$ 1417961 **WORKSHEET 4 - ALLOCATION OF UNALLOWED LOSSES** FORM OR SCH TO UNALLOWED NAME OF ACTIVITY BE REPORTED ON LOSS RATIO LOSS BLACKSTONE REALTY INVESTO SCHEDULE E P2 \$ 112,097 0.0791 \$ 111,371 NEW WORLD, LLC SCHEDULE E P2 128,577 127,744 0.0907 CLIFFSIDE ENTERTAINMENT, SCHEDULE E P2 177,287 0.8303 ,169,660 \$ 1417961 \$ 1408775 1.0001 WORKSHEET 5 - ALLOWED LOSSES FORM OR SCH TO UNALLOWED ALLOWED NAME OF ACTIVITY BE REPORTED ON LOSS LOSS LOSS BLACKSTONE REALTY INVESTO SCHEDULE E P2 \$ 112,097 \$ 111,371 \$ 726 NEW WORLD, LLC SCHEDULE E P2 128,577 127,744 833 CLIFFSIDE ENTERTAINMENT, SCHEDULE E P2 1,177,287 1,169,660 7,627 \$ 1417961 \$ 1408775 \$ AS ORIGINALLY FILE AMT WORKSHEET - PASSIVE ACTIVITY ADJUSTMENT TO FORM 6251, LINE 11 FORM OR SCH TO GAIN OR AMT GAIN NAME OF ACTIVITY BE REPORTED ON OR LOSS LOSS BIRCH VENTURES LLC SCHEDULE E P2 0 \$ 0 BLACKSTONE REALTY INVESTO SCHEDULE E P2 -708 -726 SIERRA STAR LEASING, LLC SCHEDULE E P2 0 0 BLACKSTONE TECHNOLOGY PAR SCHEDULE E P2 0 13 MILLENIUM 12, LLC SCHEDULE E P2 0 137

#### 2000

## FORM 8582 WORKSHEETS - ALTERNATIVE MINIMUM TAX

PAGE 2

THOMAS J. GONZALES

545-13-6755

(CONTINUED)
AMT WORKSHEET - PASSIVE ACTIVITY ADJUSTMENT TO FORM 6251, LINE 11

NAME OF ACTIVITY	FORM OR BE REPOR			GAIN OR LOSS	AMT GAIN OR LOSS
MILLENIUM 7, LLC SHAMWARI HELIO, LLC SHAMWARI MOTOR YACHT LTD NEW WORLD, LLC THOMAS J. GONZALES INVEST CLIFFSIDE ENTERTAINMENT,		EEEE	P2 P2 P2 P2	\$ 0 0 -811 9,036 -7,517	\$ 0 0 -833 9,036 -7,627 0
					\$ 0

AS ORIGINALLY FILE

AGE 1	545-13-6755	CURRENT	141   141   0   0   0
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		1	8
		50	1/s
		PRIOR	
Щ		DEPR. P.	
FEDERAL DEPREMATION SCHEDULE		SALVAGE DE	
FION S	LES	BASIS	' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '
H NA	THOMAS J. GONZALES	PRIOR DEC. BAL. DEPR.	
DEP	OMAS	PRIOR 179 BONUS	
DERAL	¥	CUR BUS. 179 PCT. BONUS	
2000 FE		COST/ BAS1S	7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7
		DATE	AS ORIGINALLY FILE
		DATE	11/16/98
12/31/06		DESCRIPTION	AMORTIZATION  TOTAL AMORTIZATION  TOTAL DEPRECIATION  GRAND TOTAL AMORTIZATION  GRAND TOTAL DEPRECIATION

Case 4:08-cv-03189 SBA Filed 07/02/2008 Document 1-5 Page 52 of 52 545-13-6755 2000 FEDERAL ALTERNATIVE MINIMAN TAX DEPRECIATION SCHEDULE POST-86 DEPR ADJ. PCT. REG. DEPR. AMT DEPR. THOMAS J. GONZALES AMT AMT AMT METHOD AMT PRIOR DEPR. AMT BASIS DATE SOLD AS ORIGINALLY FILE DATE ACQUIRED GRAND TOTAL DEPRECIATION DESCRIPTION TOTAL DEPRECIATION 12/31/00 TOTAL

₽.

# Exhibit 2



## Internal Revenue Service 1301 Clay Street, Suite 895S, Oakland, CA 94612

Date: JUN 1 1 2008

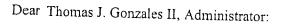
Thomas J. Gonzales (dec'd)
Thomas J. Gonzales II, Administrator
134 Lakes Blvd
Dayton, NV 89403-8804

## Department of the Treasury

Taxpayer Identification Number: 545-13-6755
Form: 1040
Document Locator Number:

Tax Period(s) Ended:
Dec. 31, 2000
Amount Claimed:
\$31,478,202
Date Claim Received:
08/10/2007
Person to Contact:
Paul Doerr

Telephone Number: (916) 974-5568 Employee Identification Number 68-11438 Refer Reply to:



We have allowed part of your claim for an adjustment to your tax for the period shown above. We are sorry, but we cannot allow the entire claim for the reason stated below. This letter is your legal notice that we have partially disallowed your claim.

If you wish to bring suit or proceedings for the recovery of any tax, penalties, or other moneys for which this disallowance notice is issued, you may do so by filing suit with the United States District Court having jurisdiction, or the United States Claims Court. The law permits you to do this within 2 years from the mailing date of this letter. However, if you signed a waiver of *Statutory Notification of Claim Disallowance*, Form 2297, the period for bringing suit began to run on the date you filed the waiver.

We have enclosed Publication 1, Your Rights as a Taxpayer, Publication 5, Your Appeal Rights and How to Prepare a Protest If You Don't Agree, and Publication 556, Examination of Returns, Appeal Rights, and Claims for Refund, for your information.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter. Thank you for your cooperation.

Sincerely yours,

Swan Y. Eraunz

Susan G. Braunz

Technical Services Territory Manager

Enclosures:

Publication 1

Publication 5

Publication 556

Reasons for partial disallowance:

Explained in report of examination previously furnished you.

Letter 905 (DO) (Rev. 4-1999) Catalog Number 11011N Corrected Report

Form <b>4549-A</b>	
 (Rev. March 2005)	
Name and Address of	Taxpayer

Department of the Treasury-Internal Revenue Service

## **Income Tax Discrepancy Adjustments**

Thomas J Gonzales 134 Lakes Blvd

Taxpayer identification Number Return Form No.: 545-13-6755 1040

134 Lakes Blvd Dayton NV 89403	Person with whom examination changes were	Name and Title: Martin A Schainbaum	
1. Adjustments to Income	discussed.  Period End	Period End	Period End
a.	12/31/2000		
b.			
C.		ļ	
d.			
е.			
f.			
g. h.	,		
L.			
j.			
k.			
l.			
m.			
n.			
0.			
p.			
2. Total Adjustments 3. Taxable Income Per Peture 2.2. D	0.00		
Taxable Income Per Return or as Previously Adjusted     Corrected Taxable Income	131,541,313.00		
Tax Method	131,541,313.00		
Filing Status	SCHEDULE D		
5. Tax  6. Additional Taxes / Alternative Minimum	Single 26,406,046.00		
7. Corrected Tax Liability  8. Less a.	26,406,046.00		
Credits b.			
c.			
d.			
9. Balance (Line 7 less total of Lines 8a thru 8d)	26,406,046.00		
10. Plus a.	, 100,00		
Other b. Taxes c.			
Taxes   c.   d.			
11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)	26,406,046.00		
<ul><li>12. Total Tax Shown on Return or as Previously Adjusted</li><li>13. Adjustments to: a.</li></ul>	26,406,046.00		
b.			
C.			
14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 132 the Control of the Control o			
(Line 11 less Line 12 adjusted by Lines 13a thru 13d)	0.00		
15. Adjustments to Prenaument Credita I	3.00		
15. Adjustments to Prepayment Credits-Increase (Decrease)			
6. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)			
(Cooleany interest and penalties)	0.00		
atalog Number 23110T			

TOTE GOLD KEP	OIL
Form <b>4549-A</b>	
(Rev. March 2005)	

B9 CBA	Document 1-6	Filed 07/02/2008
Departme	of the Treasury-Internal Bar	

(Rev. March 2005) Income Tax Discrepand	Page	of2		
Name of Taxpayer Thomas J Gonzales	Taxpayer Identification 545-13-67	Return Form No.:		
17. Penalties/ Code Sections	Period End	Period E	nd	Period End
a. Accuracy-IRC 6662 b. c. d. e. f. g. h. i. j. k. t.	(5,246,367.00)			
n.				
18. Total Penalties	(5,246,367.00)			
Underreporter attributable to negligence: (1981-1987)  A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.  Underreporter attributable to fraud: (1981-1987)				
underpayment will accrue until it is paid or assessed.				
Underreporter attributable to Tax Motivated Transactions (TMT). Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).	0.00	· · · · · · · · · · · · · · · · · · ·		
19. Summary of Taxes, Penalties and Interest:  a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)  b. Penalties (Line 18) - computed to 05/27/2008  c. Interest (IRC § 6601) - computed to 06/26/2008  d. TMT Interest - computed to 06/26/2008 (on TMT underpayment)	0.00 (5,246,367.00) 0.00			

0.00

(5,246,367.00)

### e. Amount due or refund - (sum of Lines a, b, c and d) Other Information:

On 08/10/2007 you filed claim for 843, 1040X, 1120X or an informal claim for a refund of \$31,478,202 for tax year 2000.

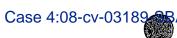
"As the result of our examination, we allowed your claim in part, as shown in this

Examiner's Signature:	eport Issued 4/2	29/2008	
Name	Employee ID:	0.45	
QMS Reviewer		Office:	Date:
	94-06474	CALIFORNIA	05/27/2008

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

0.00



Name of Taxpayer: Thomas J Gonzales	0.0000000000000000000000000000000000000
Identification Number 546 12 (755	05/27/2008
Total	9.20.00

#### - FORM 6251 - ALTERNATIVE MINIMUM TAX COMPUTATION 2000

Total Adjustments and Preferences	34,345.00
Tax Table Income (from Form 1040, line 37)     Net Operating Loss Deduction	131,541,313.00
Itemized Deduction Limitation (from Schedule A Worksheet)	0.00
5. Combine lines 1 through 4	(\$36,389.00)
•	131,539,269.00
<ul><li>6. Alternative Tax Net Operating Loss Deduction</li><li>7. Alternative Minimum Taxable Income</li><li>8. Exemption Amount</li></ul>	0.00 131,539,269.00 0.00
9. Subtract line 8 from line 7 (if 0 or less, enter 0)	131,539,269.00
10. If line 9 is \$175,000 or less (\$87,500 or less if married filing separate) multiply line 9 by 26%  11. Alternative Minimum Tay 5	26,353,216.00
11. Alternative Minimum Tax Foreign Tax Credit	0.00
<ul> <li>12. Tentative Minimum Tax (Subtract 11 form 10)</li> <li>13. Regular Tax Before Credits (less Foreign Tax Credit)</li> <li>14. Alternative Minimum Tax (before credit)</li> <li>15. Empowerment Zone Employment Credit</li> </ul>	26,353,216.00 26,406,046.00 0.00 0.00
16. Net Alternative Minimum Tax (line 14 less line 15)	

## **EXEMPTION WORKSHEET (Line 8)**

A. Exemption amount based on filing status     B. Alternative Minimum Taxable Income (line 7)     C. Enter \$112,500 (\$150,000 if married filing jointly or	33,750.00 131,539,269.00
qualifying widow(er), \$75,000 if married filing separate)  D. Subtract line C from line B  E. Multiply line D by 25%  F. Subtract line E from line A (if zero or less, enter 0)	112,500.00 131,426,769.00 32,856,692.00



Name of Taxpayer: Thomas J Gonzales

Identification Number: 545-13-6755 Total

05/27/2008

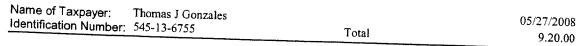
9.20.00

#### 2000 - FORM 6251 - CONTINUATION, USING MAXIMUM CAPITAL GAINS RATES COMPUTATION OF LINE 10 WHEN SCHEDULE D IS COMPLETED

- William College D 13	COMPLETED
1. Amount from Form 6251 Report, line 9	131,539,269.00
<ul> <li>2. Amount from Schedule D Report, line 22 (refigured for AMT)</li> <li>3. Amount from Schedule D Report, line 20 (refigured for AMT)</li> <li>4. Add line 2 and 3</li> <li>5. Amount from Schedule D Report, line 17 (refigured for AMT)</li> </ul>	130,928,487.00 0.00 130,928,487.00
<ul> <li>6. Smaller of line 4 or line 5</li> <li>7. Subtract line 6 from line 1</li> <li>8. If line 7 is \$175,000 or less (\$87,500 if MFS) multiply line 7 by 26%. Otherwise, multiply line 7 by 28% and subtract \$3,500 (\$1,750 if MFS) from result.</li> </ul>	130,928,487.00 130,928,487.00 610,782.00
9. Amount from Schedule D Report, line 31 10. Smallest of line 1, 2, or line 9	167,519.00 0.00 0.00
11. Multiply line 10 by 10% 12. Smaller of line 1 or line 2 13. Amount from line 10 14. Subtract line 13 from line 12 (not less than 0)	0.00 130,928,487.00 0.00
15. Multiply line 14 by 20% 16. Amount from line 1 17. Add lines 7, 10, and 14 18. Subtract line 17 from line 16	130,928,487.00 26,185,697.00 131,539,269.00 131,539,269.00
<ul> <li>19. Multiply line 18 by 25%</li> <li>20. Add lines 8, 11, 15, and 19</li> <li>21. If line 1 is \$175,000 or less (\$87,500 if MFS) multiply line 1 by 26%. Otherwise, multiply line 1 by 28% and subtract \$3,500 (\$1,750 if MFS) from result</li> </ul>	0.00 0.00 26,353,216.00
22. Smaller of line 20 or 21, enter here and on line 10 of Form 6251 Report	36,827,495.00 26,353,216.00







## 2000 - SCHEDULE D - CAPITAL GAINS AND LOSSES

OTHER SAME AND EX	755E5
Short-term capital gain or loss	
2. Snort-term capital loss carryover	(1,593,009.00)
5. Net Short-term Gain or Loss (Add line 1 and 2)	0.00
T. Long-term capital gain or loss	(1,593,009.00)
5. Long-term capital gain or loss carryover	132,521,496.00
o. Net long-term Gain or Loss (Add line 4 and 5)	0.00
7. July of lifes 3 and 6 - Net Capital Gain or Local	132,521,496.00
o. Capital loss limitation	130,928,487.00
9. Capital Gain or Loss - As Corrected	0.00
10. Capital Gain or Loss - Per Return	130,928,487.00
11. Line 9 less line 10 - Adjustment to Income	130,928,487.00
	0.00
CORRECTED CARRYOVER	
12. Short-term Carryover to Subsequent Year	
13. Long-term Carryover to Subsequent Year	0.00
	0.00
COMPUTATION OF ALTERNATE TAX	
14. I axable Income	121 641 040 44
15. Smaller of line 6 or line 7	131,541,313.00
16. Form 4952, line 4e	130,928,487.00
17. Subtract line 16 from line 15	0.00
18. Combine line 3 and Total 28% Rate Gain (not less than 0)	130,928,487.00
The street of this to and total the part Cain	0.00
20. Officeaptured Section 1250 Gain	0.00
21. Add line 19 and 20	0.00
22. Subtract line 21 from line 17 (not less than 0)	0.00
25. Subtract line 22 from line 14 (not less than 0)	130,928,487.00
24. Ornaliel Of line 14 or 26 250 00	612,826.00
25. Smaller of line 23 or line 24	26,250.00
26. Subtract line 17 from line 14 (not less than 0)	26,250.00
27. Larger Of lifte 25 of line 26	612,826.00
28. Tax on amount on line 27	612,826.00
29. Amount from line 24	220,349.00
30. Amount from line 23	26,250.00
31. Subtract line 30 from line 29 (not less than 0)	612,826.00
	0.00
33. Smaller of line 14 or line 22	0.00
34. Amount from line 31	130,928,487.00
35. Subtract line 34 from line 33 (not less than 0)	0.00
30. Multiply line 35 by 20%	130,928,487.00
37. Smaller of line 17 or line 20	26,185,697.00
38. Add lines 17 and 27	0.00
39. Amount from line 14	131,541,313.00
40. Subtract line 39 from line 38	131,541,313.00
41. Subtract line 40 from line 37	0.00
42. Multiply line 41 by 25%	0.00
43. Amount from line 14	0.00
44. Add lines 27, 31, 35, and 41	131,541,313.00
45. Subtract line 44 from line 43	131,541,313.00
46. Multiply line 45 by 28%	0.00
47. Add lines 28, 32, 36, 42, and 46 - Alternative Tax	0.00
	26,406,046.00



Exhibit 3



## Department of the Treasury

RECEIVED

JUN 1 2 2008

MARTIN A. SCHAINBAUM APLC

JUN 1 1 2008

Thomas J. Gonzales (dec'd) Thomas J. Gonzales II, Adminstrator 134 Lakes Blvd Dayton, NV 89403-8804

Taxpayer Identification Number:

545-13-6755

Kind of Tax:

Income

Filed 07/02

Tax Period(s) Ended

December 31, 2000

Amount of Claim:

\$166,198

Date Claim Received:

08/20/2007

Person to Contact:

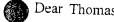
Paul Doerr

Contact Telephone Number:

(916) 974-5568

**Employee Identification Number:** 

68-11438



Date:

Dear Thomas J. Gonzales II, Adminstrator:

We are sorry, but we cannot allow your claim for an adjustment to your tax, for the reasons stated below. This letter is your legal notice that we have fully disallowed your claim.

If you wish to bring suit or proceedings for the recovery of any tax, penalties, or other moneys for which this disallowance notice is issued, you may do so by filing suit with the United States District Court having jurisdiction, or the United States Claims Court. The law permits you to do this within 2 years from the mailing date of this letter. However, if you signed a Waiver of Statutory Notification of Claim Disallowance, Form 2297, the period for bringing suit began to run on the date you filed the waiver.

We have enclosed Publication 5, Your Appeal Rights and How to Prepare a Protest If You Don't Agree, and Publication 594, The IRS Collection Process, if additional tax is due.





If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter. Thank you for your cooperation.

> Sincerely yours, Suscin Y. Brawnz

Susan G. Braunz

Technical Services Territory Manager

Filed 07/02/2008

Enclosures:

Publication 5

**№** Publication 594

Reasons for disallowance:

We have disallowed your claim because it was determined that you were not entitled to a capital loss for taxable year 2000. See examination report previously furnished to you.

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#### PROOF OF SERVICE

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I am over eighteen years of age and not a party to the above action. My business address is 351 California Street, Suite 800, San Francisco, CA 94104-2406.

On July \_\_\_\_\_,2008, I personally served a true copy of:

#### COMPLAINT AND DEMAND FOR JURY TRIAL;

on the interested parties named below, via Federal Express overnight delivery, addressed as follows:

> Attorney General United States of America Department of Justice Attention: Assistant Attorney General, Tax Division 950 Pennsylvania Avenue, N.W. Washington, D.C. 20530-0001

Donald Korb, Chief Counsel Office of Chief Counsel, Internal Revenue Service 1111 Constitution Avenue, N.W. Washington, D.C. 20002-6433

United States Attorney Attention: Assistant United States Attorney Thomas Moore Chief, Tax Division 450 Golden Gate Avenue Box 36055 San Francisco, CA 94102

Office of Area Counsel, Internal Revenue Service Attention: Paul Zamolo, Esq. Associate Area Counsel 160 Spear Street, 9<sup>th</sup> Floor San Francisco, CA 94105